



Draft Mid-year Budget and Performance Assessment

2010/2011

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Introduction

The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 72 of the Municipal Finance Management Act to submit a report in a prescribed format to the Mayor by 25 January of each year, reviewing the financial performance of the Municipality for the first six months of the financial year.

This mid-year report is a critical stage in the in-year reporting cycle. As part of the review, in terms of Section 72 (3), the Accounting Officer needs to make recommendations as to whether the SDBIP and annual budget (both capital and operating) need to be adjusted.

Section 54(f) of the MFMA requires the Mayor to consider and submit the mid - year report to Council by 31 January.

Take note that the Section 52, Quarterly Budget Monitoring Report will be incorporated in this report. The requirements of section 52(d) will be met in this mid - year Budget and Assessment Report.

This assessment report includes, inter alia, the following information:

- (i) The monthly statements referred to in section 71 for the first half of the financial year;
- (ii) The municipality's service delivery performance for the first half of the financial year; and
- (iii) The progress on resolving problems identified in the annual report.

Comments of CFO

1. CAPITAL EXPENDITURE

The 43.5% of the capital budget spent needs to be qualified. Due to the lack of internal funding (CRR) the majority of these projects were put on hold. Furthermore the R65 million External loan was only taken late in the financial year. The capital expenditure of R76,160 million as a percentage of the allowed capital budget of R126,385 million comprises 60.3%.

2. OPERATING INCOME

From the comments on page 12 and page 16 it is evident that the budgeted income will not be achieved. The shortfall must be addressed in an adjustments budget.

3. OPERATING EXPENDITURE

With the aforementioned borne in mind it is obvious that the operating expenditure must be curtailed. Council must now take a firm decision in this regard.

CONCLUSION

An adjustments budget is necessary to give affect to the changes in the budget.



DR. C KAPP

ACTING CHIEF FINANCIAL OFFICER

Summary of 2010/11 budget progress

The following table summarises the overall position on the capital and operating budgets. Take note that the operating expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

R'000	Capital Expenditure R'000	Operating Income R'000	Operating Expenditure R'000
Original Budget	175,181	917,965	838,641
Revised Budget	175,181	971,656	939,073
Budget available on Samras	126,385	971,656	939,073
Plan to Date (SDBIP)	71,400	563,906	436,323
Actual	76,160	553,106	431,742
Variance to SDBIP	4,760	-10,800	-4,581
% Variance to SDBIP	7%	-2%	-1%
% of revised budget	43.5%	56.9%	46.0%
% of budget available on Samras	60.3%	56.9%	46.0%
% of annual budget 2009/10	36.8%	57.1%	44.1%

Take note that the Annual Budget for 2010/11 was adjusted:

1. In October 2010 there was an Adjustment Budget passed to incorporate the Ministerial approval to utilize R 50 million from the Separate Operating Account as bringing finance for the Pacaltsdorp Erf 325 and Touwsrante Housing Projects.

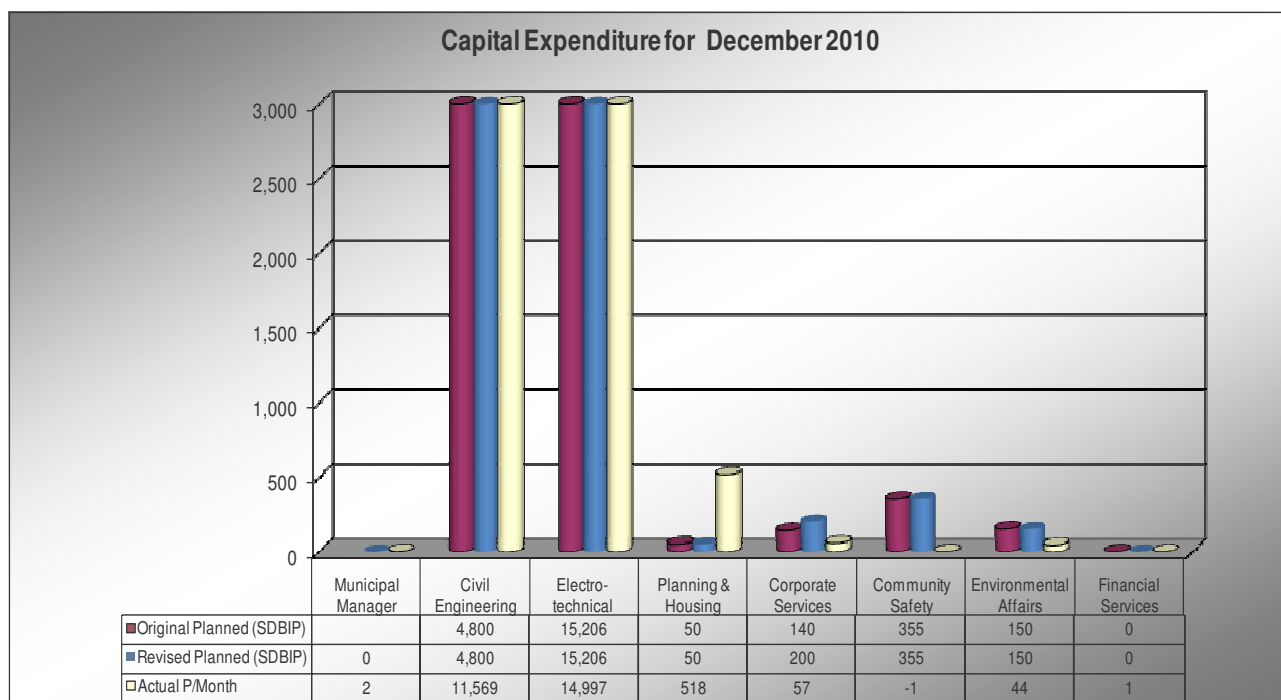
The above figures are based on last adjustment budget and are explained in more detail throughout this report.

Capital Expenditure

The following table shows the actual capital expenditure for each Directorate against that planned in the SDBIP at 31 December 2010.

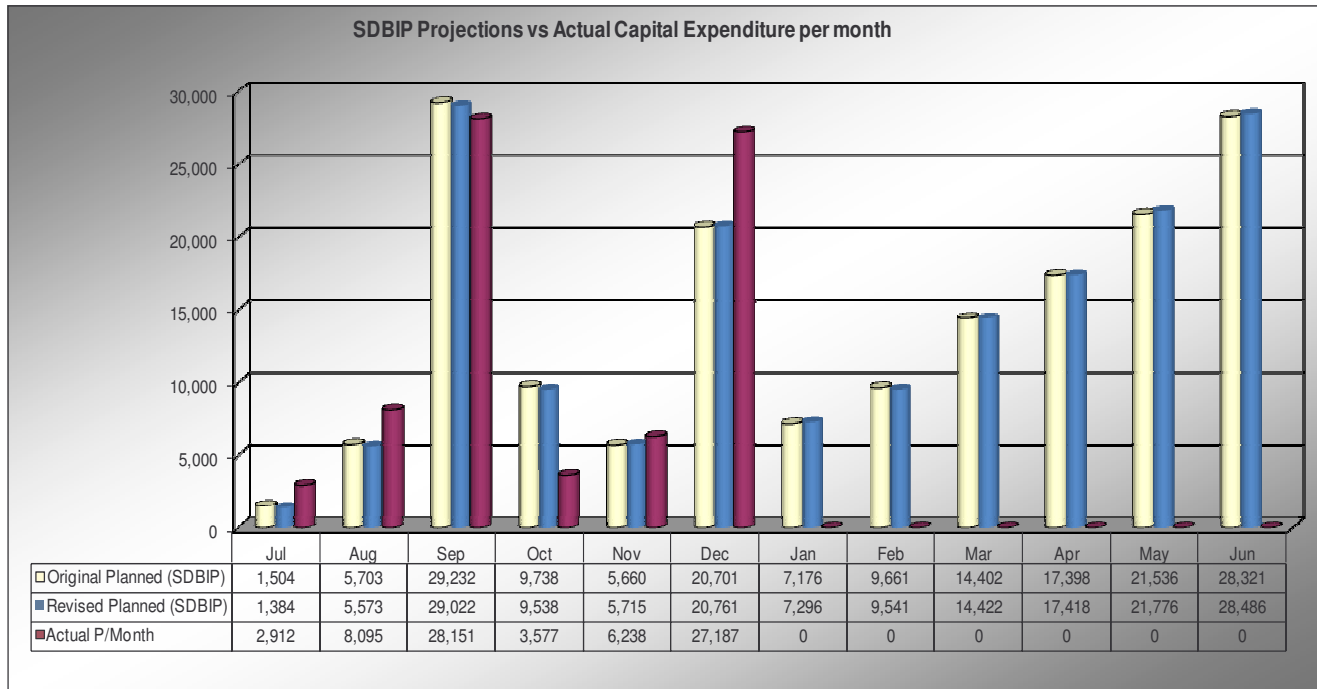
Directorate	Adjusted Budget R'000	Open on Samras R'000	Planned (SDBIP) R'000	Actual R'000	Variance R'000	Variance (%)
Municipal Manager	100	100	100	53	-47	-46.82%
Corporate & Social Services	1,829	1,214	154	94	-60	-39.19%
Civil Engineering Services	88,950	64,994	29,342	33,493	4,151	14.15%
Electro-technical Services	55,802	48,747	38,593	38,426	-167	-0.43%
Planning & Housing	17,850	7,605	2,312	3,733	1,421	61.48%
Community Safety Services	6,950	2,075	405	7	-398	-98.28%
Environmental Affairs	3,650	1,625	475	350	-125	-26.34%
Financial Services	50	25	20	5	-15	-75.10%
Total	175,181	126,385	71,400	76,160	4,760	6.67%

The above table shows that there was an under spending of R 4760 000 against the planned level of spending of R 108 469 000. The following graph by directorate indicates the capital expenditure for December 2010.



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The following graph compares the original capital expenditure projections versus the revised capital expenditure projections of the 2010/11 SDBIP against the actual capital expenditure per month:



The following are the major issues:

- The Parkdene Community Centre was completed.
- The Upgrading of Informal Housing Areas: Toilets spending is more than what was planned, thus the reason for the variance. (Grant funding)
- Malgas Pumping Scheme is on schedule. The pipeline has been completed. Tender for the mechanical works has been awarded and busy with the building of the pump station.
- Schaapkop 11 kv Substation - The transformers was delivered and installed. Currently completing the testing of protection system.
- CCTV Cameras project at Community Safety is behind planned expenditure. Presentation for selected bidder still needs to take place and there after an item will be submitted to council for approval.
- R3 mil for the Weigh Bridge project at Community Safety will be referred to the adjustment budget, because the project will not go forth.
- The Wheely bin project at Environmental Affairs will not continue due to financial constraints in the following financial years.
- The N2 / York Street Bridge extension project needs to be shifted to the operating budget, but funding still need to be sourced from Province.

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The following table indicates the capital expenditure against the sources of funding at end of December 2010:

Funding	Adjustment Budget R'000	Budget available on Samras R'000	Actual R'000
Capital Replacement Reserve(CRR)	20,352,400	13,157,400	2,327,290
External Loans (EFF)	65,781,240	48,300,000	39,057,372
Grants	78,547,660	62,427,660	32,628,406
Other	10,500,000	2,500,000	2,147,035
Total	175,181,300	126,385,060	76,160,104

The above table indicates that the expenditure on:

- The “CRR” funded projects have been delayed due to shortage of funds in the CRR's at the 2009/10 financial year end. Pending the collection rate of capital contributions, these projects will be addressed in the adjustment budget.
- The projects funded from “Other” will have to be financed from the sale of property and from the Special Operating Account. Pending approval from Provincial Government and actual property sales, these projects will also be revisited in the adjustment budget.
- The external loan will only be taken in January 2011. The EFF project that is currently available for expenditure were only the roll over committed projects, and only the extent where the municipality could afford to provide bringing finance.
- The Grant funded projects have been delayed until the grant allocations were transferred to the Municipality. The municipality have received the most of the allocated grant funding, but there is still grant allocations outstanding.

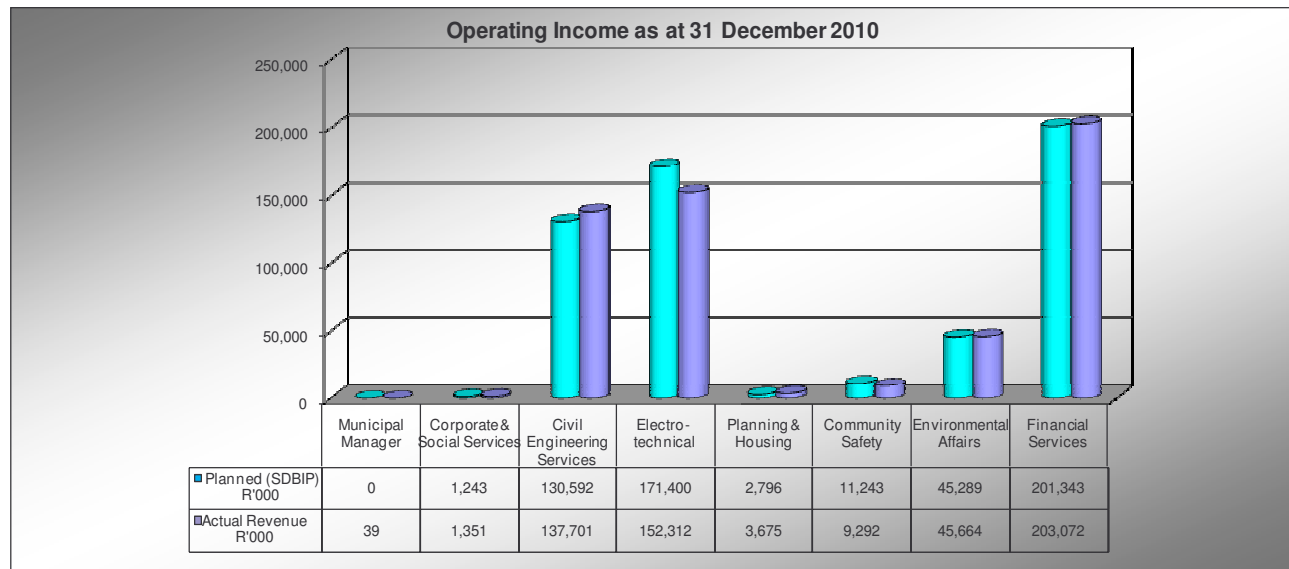
Operating Income

The following table shows the actual operating income per Directorate against that planned in the SDBIP at 31 December 2010. It should be noted that the figures relate to billed income and not cash collected.

Directorate	Original Budget R'000	Adjusted Budget R'000	Planned (SDBIP) R'000	Actual Revenue R'000	Variance R'000	Variance (%)
Municipal Manager	211	511	0	39	39	0%
Corporate & Social Services	3,115	3,115	1,243	1,351	109	9%
Civil Engineering Services	213,145	213,695	130,592	137,701	7,109	5%
Electro-technical Services	350,140	350,140	171,400	152,312	(19,088)	-11%
Planning & Housing	49,765	99,765	2,796	3,675	879	31%
Community Safety Services	22,496	22,496	11,243	9,292	(1,951)	-17%
Environmental Affairs	48,250	51,441	45,289	45,664	375	1%
Financial Services	230,843	230,493	201,343	203,072	1,728	1%
Total	917,965	971,656	563,906	553,106	(10,800)	-2%

The above table shows that there was an under collection of income of R 10,800,000 against the planned level of income of R 563,906,000.

This is shown in the following graph per Directorate.



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The following are the major issues:

- There is an under collection of R 1, 1mil at the Vehicle Testing Centre. The Department is currently busy with the planning phase for a tender to outsource the service.
- Electricity service charges are 11% or R 18,6 million under collected.
- Water Service Charges are 7% or R 3 million above the planned collection. It must be noted that normal tariffs will only be introduced from the beginning of January.
- Over achievement of income at the Planning department is due to fines & building plan fees amounting to more than planned.
- The billed amount for Property Rates are R 1,4 million more than the budgeted amount
- Interest earned - Outstanding debtors: The reason for the variance is due to the increase in outstanding debt.

The following table shows the Operating Income per Revenue Source

Revenue by Source R'000 Quarter 2010/11	2nd	Original Budget	Revised Budget	SDBIP Projections	Income to Date	Variance	Variance %	% of Budget Collected
Property Rates		152,599	152,599	150,605	152,412	1,807	1.20%	99.88%
Penalties Imposed And Collection Charges on Rates		1,960	1,960	980	605	-375	-38.31%	30.85%
Service Charges		520,355	520,355	311,628	299,029	-12,598	-4.04%	57.47%
Rent Of Facilities And Equipment		1,830	1,830	1,116	1,174	57	5.14%	64.16%
Interest Earned - External Investments		11,161	11,161	4,336	4,295	-41	-0.94%	38.48%
Interest Earned - Outstanding Debtors		2,612	2,612	693	2,194	1,502	216.78%	84.01%
Fines		11,580	11,580	5,790	5,945	155	2.68%	51.34%
Licenses & Permits		2,824	2,824	1,412	1,005	-407	-28.81%	35.59%
Income For Agency Services		5,028	5,028	2,513	2,652	140	5.56%	52.75%
Grants & Subsidies Received - Operating		123,113	176,805	51,197	48,297	-2,900	-5.67%	39.23%
Grants & Subsidies Received - Capital		68,048	68,048	27,223	27,223	0	0.00%	40.01%
Other Revenue		16,857	16,857	6,414	8,274	1,861	29.01%	49.09%
Gain on Disposal of Property , Plant & Equipment		-	-	-	-	-	0.00%	0.00%
		917,965	971,656	563,906	553,106	(10,800)	-1.92%	60.25%

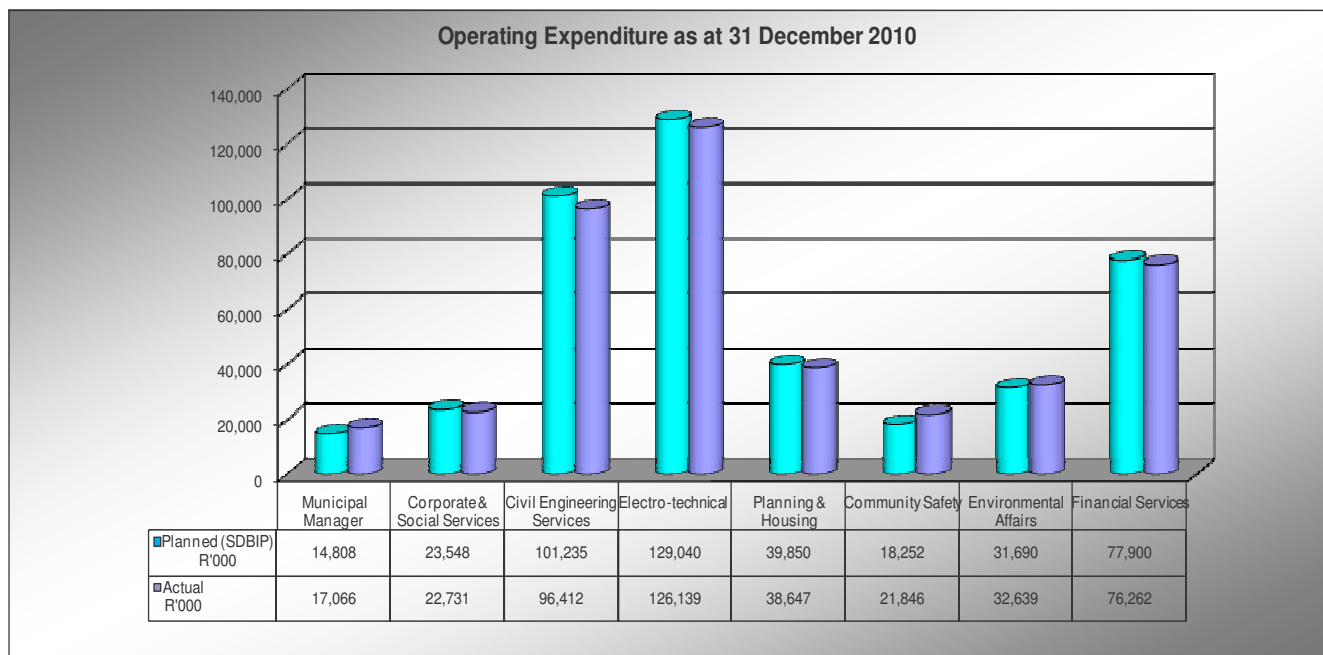
Operating Expenditure

The following table shows the actual operating expenditure for each Directorate against that planned in the SDBIP at 31 December 2010.

Directorate	Original Budget R'000	Adjustment Budget R'000	Planned (SDBIP) R'000	Actual R'000	Variance R'000	Variance (%)
Municipal Manager	37,316	37,631	14,808	17,066	2,258	15%
Corporate & Social Services	50,018	50,049	23,548	22,731	(817)	-3%
Civil Engineering Services	156,694	204,164	101,235	96,412	(4,823)	-5%
Electro-technical Services	282,490	281,691	129,040	126,139	(2,901)	-2%
Planning & Housing	70,045	120,073	39,850	38,647	(1,204)	-3%
Community Safety Services	40,759	41,047	18,252	21,846	3,594	20%
Environmental Affairs	62,635	66,070	31,690	32,639	949	3%
Financial Services	138,684	138,347	77,900	76,262	(1,637)	-2%
TOTAL	838,641	939,073	436,323	431,742	(4,581)	-1%

The above table shows that there was under spending of R 4 581 000 against the planned level of expenditure of R 431 742 000.

This is shown in the following graph per Directorate.



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The following are the major issues:

- The Repairs and Maintenance budget for the Sewerage Network is nearly spent.
- A saving is projected for Chemicals vote at Water Purification.
- Interest on External loans was paid in December.
- The salaries and wages are the major reason for the over expenditure at Community Safety.
- Legal fees are going to overspend based on current actual expenditure.

The following table shows the Operating Expenditure by Type:

<u>EXPENDITURE BY TYPE - 2nd QUARTER</u>	AMENDED BUDGET	PLANNED INC. TO DATE (SDBIP)	ACTUAL INC. TO DATE	VARIANCE	% VARIANCE	% VARIANCE OF BUDGET
Employee Related Costs - Wages & Salaries	164,844	83,374	85,903	2,528	3%	52%
Employee Related Costs - Social Contributions	37,794	19,719	19,158	-561	-3%	51%
Remuneration Of Councillors	10,719	5,359	5,009	-350	-7%	47%
Bad Debts	5,000	2,928	4,025	1,097	37%	80%
Collection Costs	5,000	2,500	2,621	121	5%	52%
Depreciation	88,048	41,689	44,024	2,335	6%	50%
Interest Expense - External Borrowings	60,489	30,244	26,314	-3,930	-13%	44%
Bulk Purchases	192,000	88,491	89,097	606	1%	46%
Other Materials	354	39	64	25		
Contracted Services	118,058	38,120	35,354	-2,765	-7%	30%
Grants & Subsidies Paid	63,491	29,628	29,076	-552	-2%	46%
General Expenses - Other	162,521	64,771	60,477	-4,294	-7%	37%
Contributions To/(From) Provisions	500	0	0	0	#DIV/0!	0%
Less Revenue Foregone	30,255	29,461	30,619	1,158	4%	101%
	939,073	436,325	431,742	(4,583)	-1%	46%

Personnel Expenses

At the end of the second quarter, ended 31 December 2010, the expenditure to date amounted to R 110 070 000 against the budgeted R 213 357 000, thus 52% of the revised budget has been spent.

The following is a table showing the salary expenditure per department.

Personnel Expenditure per Department Quarter 2: Ended December 2010						
	Budget R'000	SDBIP to date R'000	Actual to Date R'000	Variance R'000	% Variance	% of Total Budget spent
Office of the Municipal Manager	R 24,713	R 9,915	R 10,553	R -638	-6%	43%
Civil Engineering Services	R 42,911	R 22,404	R 23,209	R -805	-4%	54%
Electro-Technical Services	R 28,470	R 14,820	R 13,907	R 913	6%	49%
Financial Services	R 23,835	R 12,466	R 12,559	R -94	-1%	53%
Planning and Housing	R 15,388	R 8,057	R 8,352	R -294	-4%	54%
Community Safety	R 29,345	R 14,902	R 16,551	R -1,649	-11%	56%
Environmental Affairs	R 22,456	R 11,951	R 11,619	R 333	3%	52%
Corporate & Social Services	R 26,238	R 13,937	R 13,320	R 618	4%	51%
	R 213,357	R 108,453	R 110,070	R -1,617	-1%	52%

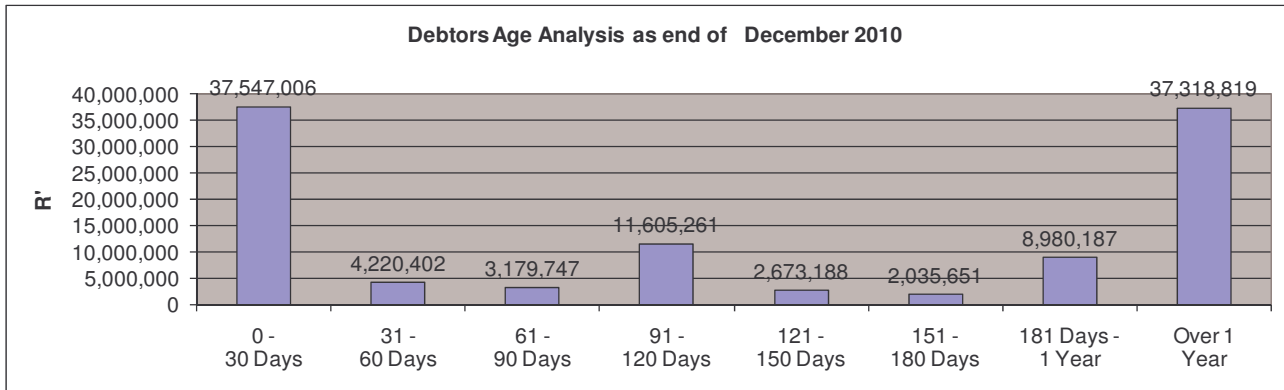
See Annexure 1 for further details.

Debtors Age Analysis

The following table shows the detailed debtors age analysis as at 31 December 2010.

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Debtors Age Analysis By Income Source									
Water Tariffs	9,123,947	940,551	830,312	1,300,884	551,635	402,223	2,145,415	6,219,937	21,514,904
Electricity Tariffs	17,646,153	1,101,616	879,320	1,090,849	414,771	297,864	1,075,773	2,099,019	24,605,365
Rates (Property Rates)	6,497,175	990,069	515,177	5,697,074	319,471	292,107	1,557,933	6,272,631	22,141,637
Sewerage / Sanitation Tariffs	4,340,228	511,704	435,286	1,826,819	357,389	285,643	1,426,332	5,858,975	15,042,376
Refuse Removal Tariffs	3,905,855	395,047	362,259	1,200,073	303,948	249,864	1,249,492	5,384,093	13,050,631
Housing (Rental Income)	29,601	6,996	5,496	4,099	3,805	3,607	19,590	77,759	150,953
RSC Levies	0	0	0	0	0	0	0	0	0
Other	-3,995,953	274,419	151,897	485,463	722,169	504,343	1,505,652	11,406,405	11,054,395
Total By Income Source	37,547,006	4,220,402	3,179,747	11,605,261	2,673,188	2,035,651	8,980,187	37,318,819	107,560,261
Debtors Age Analysis By Customer Group									
Government	-459,971	65,724	37,643	711,147	13,707	14,115	15,994	232,243	630,602
Business	7,022,907	712,149	327,695	609,749	216,105	134,970	709,108	2,261,236	11,993,919
Households	19,454,845	2,992,459	2,135,515	9,110,588	1,997,276	1,534,912	7,359,461	33,433,283	78,018,339
Other	11,529,225	450,070	678,894	1,173,777	446,100	351,654	895,624	1,392,057	16,917,401
Total By Customer Group	37,547,006	4,220,402	3,179,747	11,605,261	2,673,188	2,035,651	8,980,187	37,318,819	107,560,261

The above table indicates that at the end of December 2010 a total amount of R 107 560 261 was outstanding for debtors, with R 37 318 819 or 35 % outstanding for over 1 year. This is shown in the following graph of the Debtors Age Analysis

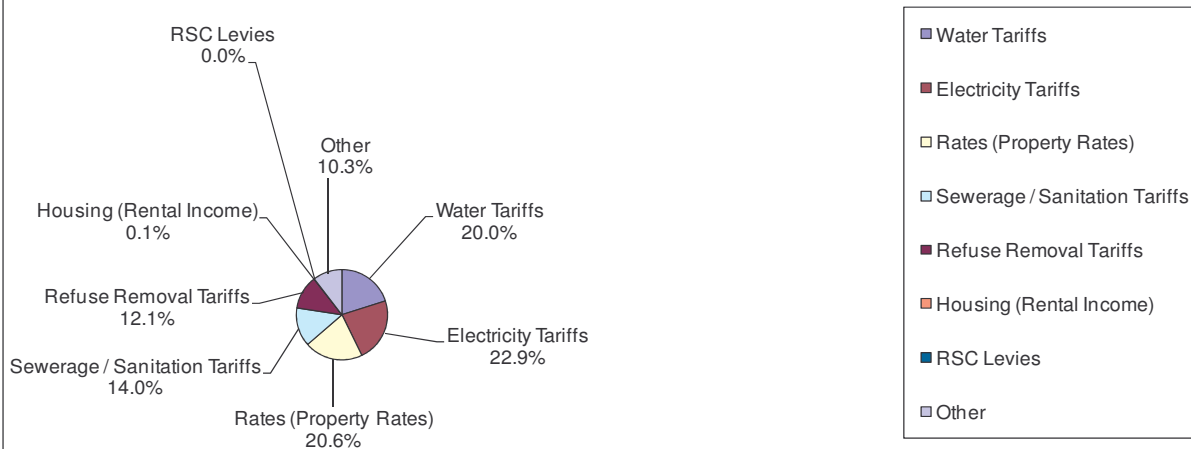


Presently 30 % of debtors over 1 year are tied up in legal processes like administrations, liquidation and hand-overs which are lengthy processes. George Municipality together with Zader are on an ongoing basis analysing the debtors older than a year, to determine the collectability of the outstanding debts and the amounts to be written of as bad debt.

The Provision for bad debt is R 26 934 990, as stated in the Annual Financial Statements of 2009/10. An amount of R 9 674 300 has been written off for the first 6 months of 2010/11. This amount is R 5 529 300 more than for the first 6 months of 2009/10.

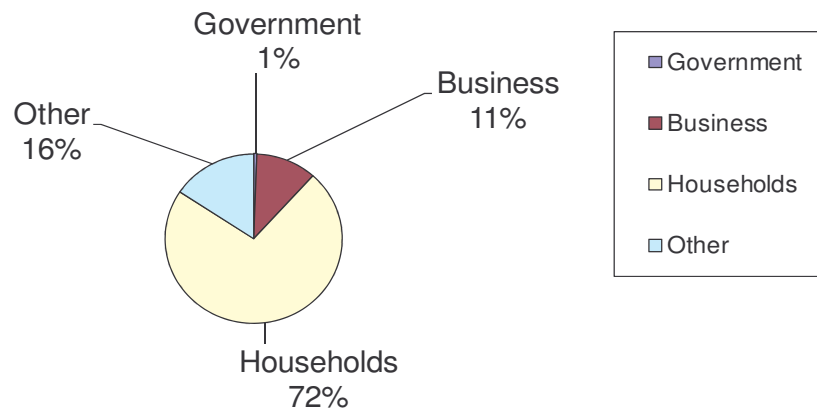
The following graph indicates the outstanding debtors by income source.

Debtors Age Analysis by Income Source



The following graph shows the outstanding Debtors by Customer Group.

Debtors Age Analysis by Customer Group



The abovementioned graph states that 72 % of the total outstanding debtors, of R 107 560 261, consist of household debtors, that is R 78 018 339.

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The annual billing was more than last year, due to the annual increase in tariffs and the annual growth in George, but the following has a combined effect on the collectability of the billed income:

- The steep increase of electricity tariffs over the past few years.
- Increase in unemployment rate due to the closing of businesses caused by the recession.
- The increase in defaults of people with arranged payment plans.
- The influx of indigent people to the region looking for employment.
- The collectability of the debt outstanding for more than 180 days is also hampered, because the Local Court can only serve 200 summonses per month.
- Punitive water tariffs due to the water crises that was only lifted in December 2010. The real impact on the income for water services will only be known in the last 6 months of 2010/11.
- In the Municipality's credit control actions it was noticeable that the collection rate has decreased in the traditional affluent areas.

The effects of the above points are reflected in the following debtors age analysis for July 2008 to December 2010. The alarming trend is the debtors older than 180 days and more have increased with nearly R10 million from December 2009 to December 2010, compared to an R 6 million increase from December 2008 to December 2009.

Debtors Age Analysis - July 2008 - June 2009

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
Current	93,731,190	79,985,283	52,485,068	23,539,694	20,634,324	28,322,524	25,024,930	30,861,339	26,869,083	26,026,433	26,712,926	20,978,759
31-60 days	2,352,546	1,731,295	2,084,041	18,817,218	2,385,721	2,649,016	2,719,268	2,186,337	2,516,493	2,943,371	2,341,046	2,283,040
61-90 days	2,202,677	1,719,781	1,373,619	1,565,823	11,984,157	2,002,846	2,067,305	1,860,222	1,649,650	2,017,644	2,297,003	1,685,275
91-120 days	1,300,816	1,957,635	1,468,727	1,228,282	1,353,263	10,774,845	1,747,502	1,761,225	1,567,917	1,412,654	1,762,606	1,833,081
121-180 days	2,329,276	2,134,685	2,325,805	2,600,083	2,368,330	2,329,340	10,613,782	9,908,055	2,969,019	2,919,269	2,694,320	2,687,673
181+ Days	35,861,781	34,948,410	34,838,702	30,594,004	29,463,331	29,810,910	30,210,528	29,422,584	34,896,330	35,209,763	35,670,267	34,457,174
	137,778,286	122,477,089	94,575,962	78,345,104	68,189,126	75,889,481	72,383,315	75,999,762	70,468,492	70,529,134	71,478,168	63,925,002

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Debtors Age Analysis - July 2009 - June 2010

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Current	91,712,458	77,032,113	54,933,024	31,541,894	30,408,975	31,143,390	34,731,200	36,091,243	33,400,411	33,718,193	31,279,470	26,852,836
31-60 days	3,036,759	2,423,570	2,888,715	18,987,733	3,325,853	3,362,103	3,405,547	2,840,734	3,196,759	3,647,742	3,473,324	3,258,253
61-90 days	2,016,105	2,492,876	1,945,459	2,320,029	13,324,145	2,787,251	2,956,200	2,516,277	2,061,126	2,498,911	2,842,804	2,631,048
91-120 days	1,518,898	1,803,016	2,137,310	1,730,765	2,019,402	11,620,918	2,624,691	2,257,960	1,973,422	1,864,861	2,015,403	2,441,801
121-180 days	3,108,636	2,939,488	2,894,988	3,414,590	3,266,981	3,267,744	12,489,651	11,288,237	3,725,232	3,583,437	3,461,029	3,439,748
181+ Days	35,102,530	35,786,505	35,552,339	35,402,017	35,709,999	36,744,562	37,554,003	37,924,081	45,472,504	46,069,553	46,345,622	45,142,584
	136,495,386	122,477,568	100,351,835	93,397,028	88,055,354	88,925,968	93,761,292	92,918,532	89,829,454	91,382,697	89,417,652	83,766,270

Debtors Age Analysis - July 2010 - December 2010

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Current	95,024,235	80,183,499	54,714,080	36,590,685	37,764,720	37,547,006
31-60 days	2,852,104	3,170,282	4,111,970	19,617,213	3,832,384	4,220,402
61-90 days	2,774,228	2,402,950	2,669,461	3,468,717	13,273,756	3,179,747
91-120 days	2,342,977	2,431,245	2,169,481	2,412,588	2,889,845	11,605,261
121-180 days	3,925,417	4,275,842	4,263,380	3,981,855	3,942,830	4,708,839
181+ Days	44,774,887	45,268,501	46,236,682	45,422,330	45,796,915	46,299,006
	151,693,848	137,732,319	114,165,054	111,493,388	107,500,450	107,560,261

Draft Mid -year Budget and Performance Assessment -2010/2011

Borrowings

The following table includes the detailed borrowings for the end of December 2010:

SUMMARY OF EXTERNAL LOANS FOR THE SECOND QUARTER

SAMRAS Loan ID	Lending institution	Original Capital Amount	Balance 01/01/2010	Interest Capitalised Oct - Dec 2010	Repayments Oct - Dec 2010	Balance 31/12/2010	Percentage
1061	INCA	24,200,000	14,721,761	667,924	1,193,217	13,528,544	9.00%
1062	DBSA	35,800,000	31,786,112	1,507,729	492,328	31,293,784	9.04%
1063	INCA	18,000,000	12,815,801	650,579	798,804	12,016,997	10.07%
1064	ABSA Bank	18,000,000	12,880,224	116,901	1,356,288	11,523,936	10.50%
1065	DBSA	46,000,000	42,137,246	1,998,852	576,563	41,560,683	9.41%
1066	DBSA	45,700,000	42,890,223	1,984,842	532,644	42,357,579	9.18%
1067	DBSA	47,400,000	37,401,197	1,765,705	1,938,379	35,462,818	9.37%
1068	DBSA	38,540,000	33,781,853	1,909,036	1,345,844	32,436,009	11.21%
1069	DBSA	54,182,000	52,472,341	2,936,151	465,131	52,007,210	11.10%
1070	DBSA	39,743,000	39,201,523	2,343,757	276,547	38,924,976	11.86%
1071	DBSA	20,000,000	19,194,961	653,155	417,826	18,777,135	6.75%
1072	DBSA	34,700,000	32,744,125	1,964,289	1,050,725	31,693,400	11.90%
1073	DBSA	13,000,000	12,052,526	410,116	494,626	11,557,900	6.75%
8169/103	DBSA (Elec)		1,790,489			1,790,489	12.00%
13514/101	DBSA (Sewer)		3,896,053			3,896,053	12.33%
Vehicles	Various Banks		0			0	
1074	DBSA	81,300,000	80,741,624	4,945,369	511,383	80,230,241	12.15%
1075	DBSA	15,450,000	15,140,020	515,175	311,956	14,828,064	6.75%
1076	DBSA	23,450,000	22,822,250	1,457,097	643,418	22,178,832	12.67%
1077	DBSA	5,000,000	4,819,470	163,994	183,899	4,635,571	6.75%
	TOTAL		513,289,799	25,990,671	12,589,578	500,700,221	

At the end of December 2010, a capital portion of R 12,589,578 was redeemed from external loans.

Interest on external loans to the amount R 25,990,671 was paid during the second quarter of the financial year.

Investments

The following table includes the detailed investment return for end of December 2010 as submitted to Provincial Treasury:

INVESTMENT	Balance as at 01 October 2010	Movements for the quarter				Balance as at 31 December 2010	Interest earned		
		Investments matured	Investments made	Interest capitalised	Costs & Fees		Quarter 2	Yield	Year to date
BANK DEPOSITS									
Bank Deposit	8,482,081		0	-	-	8,482,081		-	
Sinking Fund Deposit									
TOTAL	8,482,081	0	0	0	0	8,482,081	0	0	0
FUNDS UNDER MANAGEMENT									
LISTED INVESTMENTS									
UNLISTED INVESTMENTS									
Investments in Municipal Entities									
Other Investments									
TOTAL	8,482,081	0	0	0	0	8,482,081	0	0	0
GRAND TOTAL	8,482,081	0	0	0	0	8,482,081	0	0	0

The opening balance of investments was R 8 484 081 at the start of the 2010/11 financial year. No movements have taken place for the semester under review.

George Municipality mainly makes use of short/medium term fixed deposits as investment instruments.

The listed investment is held with Nedbank.

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Grants & Subsidies

The table indicates the gazetted grants and subsidies as well as the roll-overs to be utilized, the amounts received and the actual expenditure as at 31 December 2010.

Grant & Subsidies December 2010/11	CAPITAL / OPERATING	Responsible Official	Roll - over	Main Allocation	Expenditure	Amount Received
National Grants			2,000,000	176,532,000	106,874,656	158,056,084
Unconditional Grants			0	58,296,000	24,542,092	43,722,346
Equitable Share	OPERATING	Mr. M . Cupido		58,296,000	24,542,092	43,722,346

Conditional Grants & Subsidies			2,000,000	118,236,000	82,332,564	114,333,738
Municipal Infrastructure Grant (MIG)	CAPITAL	Mr. V. Gous		23,345,000	11,490,066	22,933,738
Municipal Drought Relief Grant	CAPITAL	Ms. L. Mooiman		75,000,000	67,347,746	75,000,000
National Electrification Programme Grant	CAPITAL	Mr. K. Grundewalt		2,000,000	0	1,650,000
Local Government Financial Management (FMG)	OPERATING	Mr. C. Marais		1,000,000	633,312	1,000,000
Bulk Water Infrastructure	CAPITAL	Ms. L. Mooiman		8,000,000	135,853	8,000,000
Municipal Systems Improvement Grant (MSIG)	OPERATING	Mr. M. Marais/ Mr.K. Venter		750,000	200,000	750,000
Electricity Demand Side Management Grant	CAPITAL	Mr. K. Grundewalt	2,000,000	6,000,000	2,525,588	5,000,000
Expanded Public Works Program (EPWP)	CAPITAL	Mr. J. Quinot		2,141,000	0	0

Provincial Grants			3,122,000	48,316,000	28,140,664	38,058,883
Intergated housing & human settlement	OPERATING	Mr T De Beer		40,449,000	24,654,735	32,205,883
Mobility Strategy	CAPITAL	Mr.C. Madell	3,000,000	6,000,000	2,631,426	5,000,000
Community development worker (CDW) operational support	OPERATING	Mr. P. Noble		100,000	16,793	24,000
Library Services(conditional grant)	OPERATING	Ms. Raubeneimer		1,046,000	501,270	707,000
Housing Consumer Education Grant(New)	OPERATING	Ms. T. de Beer	122,000		113,896	122,000
Intergrated Transport Planning	Operating	L. Mooiman		396,000	222,544	0
Maintenance of Proclaimed Roads (New)	OPERATING	Mr. J. Quinot		325,000	0	0

TOTAL GAZETTED			5,122,000	224,848,000	135,015,320	196,114,967
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Recommendations

These recommendations are linked to the responsibilities of the Mayor under S54 of the MFMA.

- (a) Note the contents of the report.
- (b) Curtail expenditure and prepare adjustments budget for tabling in Council by the end of February 2011, in compliance with the requirements of S28 of the MFMA and Regulation 23 of the Budget and Reporting Regulations.
- (c) Revise the projections for the revenue and expenditure in the SDBIP to reflect the Adjustment Budget to the Annual Budget.

Quality Certificate

To: The Executive Mayor

In accordance with Section 72 of the Municipal Finance Management Act, I submit the required statement assessing the performance of George Municipality during the first half of the 2010/11 financial year.

Section 54 of the MFMA requires the Mayor of a municipality to take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

I, Trevor Botha, the acting municipal manager of George municipality, hereby certify that the Mid- year budget and performance assessment has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.


.....

T. Botha
Acting Municipal Manager
25 January 2011


.....

Alderman B. Petrus
Executive Mayor
25 January 2011

Annexure 1: Detailed Breakdown of Personnel Expenses

REPORT BY THE MUNICIPAL MANAGER IN RESPECT OF PERSONNEL EXPENSES AS PRESCRIBED BY ARTICLE 66 OF THE MFMA (ACT 56 OF 2003) FOR THE QUARTER ENDED DECEMBER 2010					
EMPLOYEE RELATED COSTS					
LINE ITEM	DETAIL	AMENDED BUDGET 2010/11	QUARTER 2 2010 Actuals	YEAR TO DATE ACTUALS	% SPENT TO DATE
10	ART 57 AANSTELLINGS	7,496,899	1,535,183	3,093,889	41%
13	SALARISSE	117,399,545	28,257,715	56,103,868	48%
26	REMUNERATION	124,896,444	29,792,898	59,197,757	47%
39	KONTRAKTE	2,916,000	1,072,167	2,096,965	72%
735	PENSIOENBYDRAES	20,417,955	5,061,535	10,171,291	50%
41	INTERNS	681,000	149,607	294,892	43%
42	ENKELBEDRAG PENSIOENE	20,000	43,326	43,326	217%
55	PRIVAAT PENSIOENE	320,000	72,304	140,750	44%
68	MEDIESE BYDRAES	9,803,965	3,124,789	5,688,492	58%
84	BEHUISING SUBSIDIE	671,267	171,259	345,283	51%
106	WERKLOOSHEIDSVERSEKERING	1,416,891	341,892	653,140	46%
107	GEREEDSKAPSTOELAAG	55,770	15,248	30,344	54%
108	GEREEDHEIDSDIENS	705,510	345,686	574,194	81%
110	PRESTASIE TOEKENNING	1,298,262	34,251	134,447	10%
123	BEHUISING TOELAAG	523,770	137,341	316,058	60%
136	LANGDIENS BONUS	775,300	132,418	267,883	35%
149	NYWERHEIDS HEFFING	50,705	12,706	25,300	50%
152	OORTYD	7,270,500	3,346,475	5,273,392	73%
165	GROEPVERSEKERING	2,914,315	712,762	1,418,813	49%
193	VERVOERTOELAE	7,158,211	1,845,480	3,630,621	51%
194	PUNTDIENS	350,000	151,255	214,243	61%
197	AFLOSPERSONEEL/STUDENTE	0	679,597	1,193,389	# DIV/0!
204	STRUKTUUR	5,000,000	0	0	0%
217	TELEFOONTOELAE	485,420	127,418	254,662	52%
262	LEWENSREDDING	350,000	59,033	59,801	17%
288	NAGSKOF TOELAES	838,800	254,331	454,170	54%
290	VERLOF RESERWEFONDS	1,233,600	0	0	0%
291	WAARNEMING SNR BESTUUR	0	513,410	898,677	# DIV/0!
291	WAARNEMINGS TOELAE	1,282,264	309,247	534,994	42%
TOTAL		191,435,949	48,506,432	93,912,883	49%
LESS ONCE OFF COSTS					
71	VERGOEDINGSKOMMISSARIS	195,640	0	120,136.83	61%
178	OPGEHOOPTE VERLOF	25,000	381,348	679,727	2719%
97	VERLOFBONUSSE	922,036	923,788.93	926,701.02	101%
		11,201,764	9,619,233	11,148,101	100%
TOTAL		202,637,713	58,125,665	105,060,984	52%
COUNCILLOR RELATED COSTS					
LINE ITEM	DETAIL	AMENDED BUDGET 2010/11	QUARTER 2 2010 Actuals	YEAR TO DATE ACTUALS	% SPENT TO DATE
14	TOELAE : BURGERMEESTER	386,062	72,034	217,171	56%
15	TOELAE : SPEAKER	321,712	75,166	157,112	49%
16	TOELAE : O/B/MEESTER	369,969	75,166	152,283	41%
17	TOELAE : UK LEDE	2,079,077	519,239	1,014,898	49%
18	TOELAE : RAADSLEDE	3,473,338	833,798	1,633,523	47%
40	PENSIOEN BYDRAE	897,407	182,556	361,132	40%
56	MEDIESE FONDS BYDRAE	126,124	22,720	44,000	35%
166	VERVOER TOELAE	2,551,229	614,090	1,189,401	47%
205	SELFOON TOELAE	513,998	122,943	239,892	47%
TOTAL		10,718,916	2,517,714	5,009,413	47%
TOTAL PERSONNEL COSTS:		213,356,629	60,643,379	110,070,397	52%

Draft Mid -year Budget and Performance Assessment -2010/2011

Annexure 2: Cash Flow Statement

Cash Flow Statement 2009/10	Original Budget	Planned 1st Quarter	Planned 2nd Quarter	Actuals 1st Quarter	Actuals 2nd Quarter	Planned Cash Flow to	Actual Cash Flow to date	Variance
Cash Receipts by Source								
Property rates	122,344,000	72,294,182	16,683,273	39,446,505	24,328,869	88,977,455	63,775,374	-32,847,677
Property rates - penalties & collection charges	1,960,000	490,000	490,000	321,909	342,666	980,000	664,575	-168,091
Service charges - electricity revenue	336,526,000	84,131,500	84,131,500	38,810,995	41,137,300	168,263,000	79,948,295	-45,320,505
Service charges - water revenue	82,415,000	20,603,750	20,603,750	12,218,383	13,757,437	41,207,500	25,975,820	-8,385,367
Service charges - sanitation revenue	55,964,000	33,069,636	7,631,455	12,031,094	7,876,785	40,701,091	19,907,879	-21,038,542
Service charges - refuse revenue	45,440,000	26,850,909	6,196,364	8,231,260	5,471,638	33,047,273	13,702,898	-18,619,649
Service charges - other	10,000	2,500	2,500	19,855,169	18,648,688	5,000	38,503,857	19,852,669
Rental of facilities and equipment	1,829,500	457,375	457,375	835,038	354,527	914,750	1,189,565	377,663
Interest earned - external investments	11,161,000	2,790,250	2,790,250	2,318,822	0	5,580,500	2,318,822	-471,428
Interest earned - outstanding debtors	2,612,000	653,000	653,000	1,039,821	1,035,622	1,306,000	2,075,443	386,821
Dividends received	0	0	0	0	0	0	0	0
Fines	11,579,600	2,894,900	2,894,900	2,569,973	3,168,805	5,789,800	5,738,778	-324,927
Licences and permits	2,824,100	706,025	706,025	501,941	494,107	1,412,050	996,048	-204,084
Agency services	5,028,000	1,257,000	1,257,000	1,471,089	2,046,451	2,514,000	3,517,540	214,089
Transfer receipts - operational	123,113,075	30,778,269	30,778,269	27,603,419	26,188,587	61,556,538	53,792,006	-3,174,850
Other revenue	16,856,500	4,214,125	4,214,125	51,800,687	43,435,780	8,428,250	95,236,467	47,586,562
Cash Receipts by Source	819,662,775	281,193,421	179,489,785	219,056,105	188,287,262	460,683,206	407,343,367	-62,137,316
Other Cash Flows/Receipts by Source								
Transfer receipts - capital	89,047,660	22,261,915	10,845,248	111,170,000	28,577,642	33,107,163	139,747,642	106,640,479
Contributions recognised - capital & Contributed assets	20,352,400	5,088,100	5,088,100	3,157,188	5,275,836	10,176,200	8,433,024	-1,743,176
Proceeds on disposal of PPE	0	0	0	0	0	0	0	0
Short term loans	43,543,928	10,885,982	10,885,982	0	0	21,771,964	0	-21,771,964
Borrowing long term/refinancing	65,781,240	16,445,310	16,445,310	0	0	32,890,620	0	-32,890,620
Increase (decrease) in consumer deposits	550,000	137,500	137,500	-131,012	69,047	275,000	-61,965	-336,965
Decrease (Increase) in non-current debtors	9,295,838	2,323,959	2,323,959	-831,068	-3,297,203	4,647,919	-4,128,271	-8,776,190
Decrease (Increase) other non-current receivables	2,864,616	716,154	716,154	0	0	1,432,308	0	-1,432,308
Decrease (Increase) in non-current investments	0	0	0	0	0	0	0	0
Total Cash Receipts by Source	1,051,098,456	339,052,342	225,932,039	332,421,213	218,912,584	564,984,380	551,333,797	-22,448,060
Cash Payments by Type								
Employee related costs	202,637,675	46,054,017	64,475,624	47,244,077	57,540,281	110,529,641	104,784,358	-5,745,283
Remuneration of councillors	10,718,916	2,679,729	2,679,729	2,491,698	2,517,713	5,359,458	5,009,411	-350,047
Collection costs	0	0	0	569,340	2,056,262	0	2,625,602	2,625,602
Interest paid	60,488,563	0	30,244,281	242,839	26,071,316	30,244,281	26,314,155	-3,930,126
Bulk purchases - Electricity	192,000,000	48,000,000	48,000,000	48,608,575	40,488,705	96,000,000	89,097,280	-6,902,720
Bulk purchases - Water & Sewer	0	0	0	0	0	0	0	0
Other materials	359,000	89,750	89,750	33,768	27,061	179,500	60,829	-118,671
Contracted services	67,481,250	16,870,313	16,870,313	6,715,456	28,073,025	33,740,625	34,788,481	1,047,856
Grants and subsidies paid - other municipalities	0	0	0	0	0	0	0	0
Grants and subsidies paid - other	63,501,000	15,875,250	15,875,250	12,366,102	16,369,832	31,750,500	28,735,934	-3,014,566
General expenses	169,591,861	42,397,965	42,397,965	24,916,467	35,117,793	84,795,931	60,034,260	-24,761,671
Cash Payments by Type	766,778,265	171,967,024	220,632,912	143,188,322	208,261,988	392,599,936	351,450,310	-73,806,184
Other Cash Flows/Payments by Type								
Capital assets	175,181,300	43,795,325	43,795,325	37,440,363	36,603,936	87,590,650	74,044,299	-13,546,351
Repayment of borrowing	24,361,844	6,090,461	6,090,461	0	11,790,774	12,180,922	11,790,774	-390,148
Other Cash Flows/Payments	93,048,000	23,262,000	23,262,000	45,962,589	-10,264,692	46,524,000	35,697,897	-10,826,103
Total Cash Payments by Type	1,059,369,409	245,114,810	293,780,698	226,591,274	246,392,006	538,895,508	472,983,280	-98,568,786
Net Increase/(Decrease) in Cash Held	-8,270,953	93,937,532	-67,848,659	105,829,939	-27,479,422	26,088,872	78,350,517	76,120,726
Cash/cash equivalents at the month/year begin:	139,760,778	139,760,778	233,698,310	139,760,778	245,590,717	139,760,778	139,760,778	
Cash/cash equivalents at the month/year end:	131,489,825	233,698,310	165,849,650	245,590,717	218,111,295	165,849,650	218,111,295	

Annexure 3:

Performance of Directorates

Include the:

- Comments from Directors
- December 2010 Section 71 report per Department
- Performance indicators per Department

Annexure 3.1:

MEMORANDUM



POSTBUS/PO BOX 19 GEORGE 6530
E-POS/E-MAIL: legal@george.org.za , TEL: (044) 801 9082 FAXS/FAX: (044) 801 9105

REGSDIENSTE EN NAKOMING LEGAL SERVICES AND COMPLIANCE

AAN: TO:	WNDE DIREKTEUR: FINANSIELE DIENSTE
AFSKRIF: COPY:	REGISTRASIE
VAN: FROM:	SNR BESTUURDER: REGSDIENSTE & NAKOMING
DATUM: DATE:	19 JANUARIE 2011
INSAKE: REGARDING:	ARTIKEL 72 VERSLAG

Uit 'n organisatoriese prestasie bestuur oop punt beteken die nie-beskikbaarheid van fondse dat sekere projekte nie kan plaasvind nie en dat sekere KPI's en doelwitte nie bereik gaan word nie. Daar word voorgestel dat daar wel 'n gewysigde begroting moet wees in so geval en die SDBIP, Isalomzi PMS Stelsels en die Prestasie Kontrakte dien ooreenkomstig aangepas moet word.

Voorsiening moet op die aanpassingsbegroting gemaak word ten einde die uitgawes verbonde aan dissiplinêre verhoor te befonds.

Die uwe

JB VAN SCHALKWYK
SNR BESTUURDER: REGSDIENSTE EN NAKOMING

Office of the Municipal Manager

Summary of 2010/11 budget progress

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

	Capital Expenditure R'000	Operating Income R'000	Operating Expenditure R'000
Original Budget	100	511	37,631
Plan to Date (SDBIP)	100	0	14,808
Actual	53	39	17,066
Variance to SDBIP	0	39	2,258
% Variance to SDBIP	0%	0%	15%
% of annual budget	0%	8%	45%

The above figures are explained in more detail throughout this report.

Operating Income

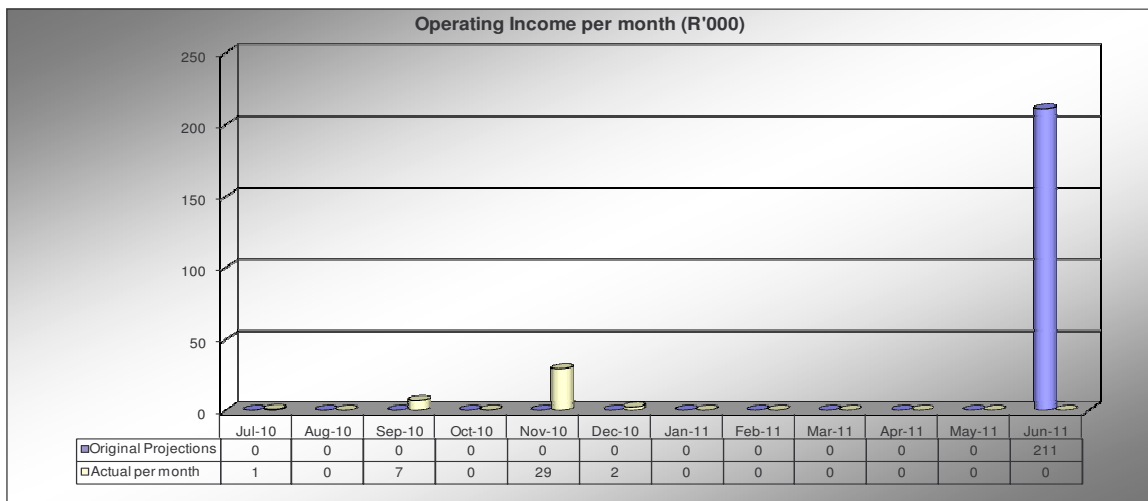
The following table shows the actual operating income against that planned in the SDBIP at 31 December 2010.

<i>INCOME</i>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED INCOME TO DATE (SDBIP)	ACTUAL INCOME TO DATE	VARIANCE	% VARIANCE
OFFICE OF THE MUN. MANAGER	-	-	-	-	-	No Planned Income
INTERNAL AUDIT	-	-	-	(658)	(658)	No Planned Income
IDP	(200,000)	(400,000)	-	-	-	No Planned Income
LEGAL SERVICES	-	(100,000)	-	-	-	No Planned Income
COUNCIL GENERAL EXPENSES	(11,000)	(11,000)	-	(32,111)	(32,111)	No Planned Income
COUNICILLORS EXPENSES	-	-	-	(6,361)	(6,361)	No Planned Income
OFFICE OF THE EXECUTIVE MAYOR	-	-	-	-	-	No Planned Income
	(211,000)	(511,000)	-	(39,130)	(39,130)	0%
% of Annual Budget Billed				7.66%		

The above table shows that there is currently an over achievement of income of R 39,130 against no planned level of income.

- R658 received at Internal Audit is due to private telephone calls.
- R6,361.00 at Councillors Expenses is due to a journal passed with regards to “Clearing of the suspense account “of the 2009/10 financial year.
- R30,005 was received in respect of donations for Women’s Day 2010.

The following graph indicates the planned income against the actual income per month.



Operating Expenditure

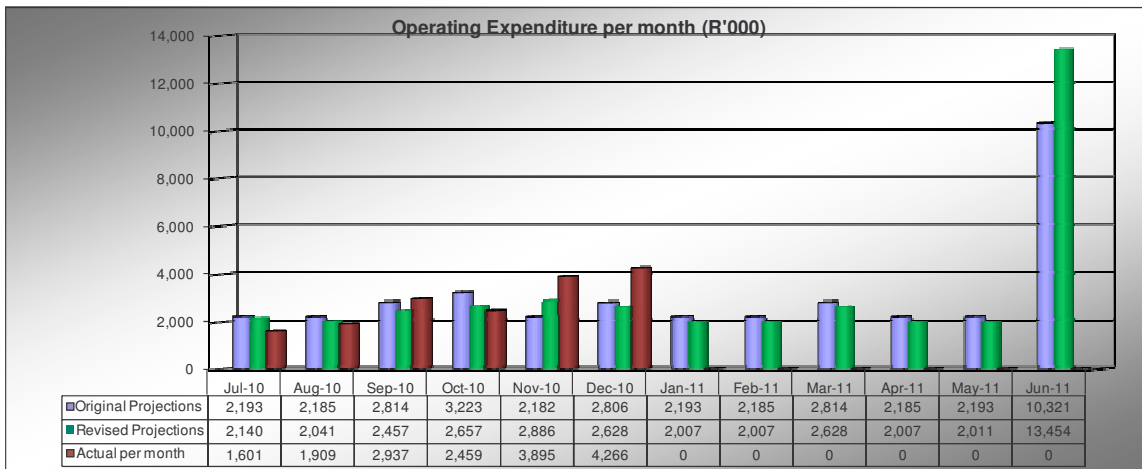
The following table shows the actual operating expenditure for each Department against that planned in the SDBIP at 31 December 2010.

<i>EXPENDITURE</i>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED EXP. TO DATE (SDBIP)	ACTUAL EXP. TO DATE	VARIANCE	% VARIANCE
OFFICE OF THE MUN. MANAGER	2,267,497	2,267,497	1,128,394	1,463,182	334,788	30%
INTERNAL AUDIT	4,715,000	4,715,000	2,150,000	3,396,163	1,246,163	58%
IDP	1,187,252	1,353,252	509,924	499,057	(10,868)	-2%
LEGAL SERVICES	2,355,230	2,489,230	1,397,127	1,699,780	302,653	22%
COUNCIL GENERAL EXPENSES	13,430,100	13,445,100	2,910,083	3,508,114	598,031	21%
COUNCILLORS EXPENSES	11,385,416	11,389,416	5,742,712	5,284,060	(458,651)	-8%
OFFICE OF THE EXECUTIVE MAYOR	1,975,680	1,971,680	970,240	1,215,638	245,398	25%
	37,316,175	37,631,175	14,808,479	17,065,994	2,257,515	15%
% of Annual Budget Spent				45.35%		

The above table shows that there is currently an over- spending of R 2,257,515 against the planned level of expenditure of R 14,808,479.

- The over expenditure at the Office of the Municipal Manager is due to the acting allowance.
- R1,364,624.11 was paid to the Auditor General during December 2010.

The following graph indicates the planned expenditure against the actual expenditure per month.



Draft Mid -year Budget and Performance Assessment -2010/2011

Municipal Manager Capital Budget 2010 - 2011 December 2010												
	R'000											
	Original Budget	Budget available on Samras	Start Date	Completion Date	Dec 2010 planned (SDBIP)	Dec 2010 actual	Planned Spent to Date (SDBIP)	Actual to Date	Spent to Date variance	Spent to Date % variance	Projections Revised	Explanation
GENERAL	100,000	100,000			0	2,229	100,000	53,182	-46,818	-47%		
FURNITURE & FITTINGS - MM	100,000	100,000	Oct 10	Oct 10	-	2,229	100,000	53,182	(46,818)	-47%		
% of Annual Budget Spent								53.18%				

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality										
(Department: Municipal Manager)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets					
				2010/11	Q1	Q2	Q3	Q4		
KPA 35: Integrated Development Planning KPA 36: Performance Management	To ensure effective integrated development planning and performance management in the municipality	IDP Reviewed and adopted	1 Process Plan	1	1	0	0	0	1	0
			Sessions with ward committees	20 ward committees	0	20	0	0	0	0
			Revision of Annual Targets	1 Revision session	0	0	1	0	0	0
			Draft IDP Document	1	0	0	1	0	0	0
			Road Shows in 20 Wards	20 Wards	0	0	0	20	0	0
			Final adopted IDP	1	0	0	0	1	0	0
		Organizational PMS implimented	Esolomzi Electronic System	1	0	0	0	1	0	0
			Capturing of all capital projects	150	0	0	0	130	0	0
			Reporting on Isolomzi	1 Quarterly	1	1	1	1	1	0

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality										
(Department: Municipal Manager)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets					
				2010/11	Q1	Q2	Q3	Q4		
KPA 32: Public Participation	The effective functioning of ward committees within the Municipality	Number of ward committee meetings per quarter	80	80	20	20	20	20	20	
		Number of ward committee forums	4	4	1	1	1	1	1	
		Training sessions	1	1	0	1	0	0	0	
		Updating and maintenance of ward committee member data base	1 update p/m	12	3	3	3	3	3	
KPA 33: Administrative support	Provision of an effective legal service within the Municipality	Compilation of Municipal Code of By-Laws	0	15	4	4	4	3	4	15
		Legal advice at Council meetings	12	12	3	3	3	3	3	3
		Number of reportts finalised per month	15	15	15	15	15	15	15	15
		Number of opinions per month	10	10	10	10	10	10	10	10

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality														
(Department: Deputy Municipal Manager)														
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line	Annual Targets	Quarterly Targets				Responsibility	Actual 1st Quarter	Actual 2ndQuarter	Q1 Comments	Q2 Comments	
				2010/11	Q1	Q2	Q3	Q4						
KPA 41: Internal Audit and Risk Management	To evaluate the effectiveness of the internal audit section	Compilation of 3 year Internal Audit Plan based on Risk Assessment	1 Internal Audit Plan (incorporating audit programs for 3 years)	1	1					Internal Audit	1	0	N/A	N/A
		Approval of Internal Audit Plan by Audit Committee	1 Approved Internal Audit Plan	1	1					Internal Audit, Audit Committee	1	0	N/A	N/A
		Execution of Internal Plan and issuing of Internal Audit Reports based on Internal Audit Plan	Percentage of internal audit effort determined by taking into account Internal Audit reports, hours budgeted, work in progress and Ad Hoc projects in the execution of the Internal Audit Plan. (Baseline: Internal Audit Plan)	100% internal audit effort against plan	25%	25%	25%	25%	Internal Audit	32%	52%	N/A	Internal audit effort against plan up until 31 December 2010.	
		Monthly reporting by Internal Audit Section on Internal Audit Reports issued to the Internal Audit Steering Committee	Monthly meetings (Base line: Minutes of meetings)	10-12	2-3	2-3	2-3	2-3	Internal Audit, Internal Audit Steering Committee	2	2	N/A	Meetings held on 15 October 2010 & 13 December 2010	
		Quarterly reporting on Internal Audit Reports issued to the Audit Committee	Quarterly meetings (Base line: Minutes of meetings)	4	1	1	1	1	Internal Audit, Audit Committee	0	1	The Audit Committee Chairperson is on the distribution list of all the internal audit reports issued. The executive summaries of the reports issued are included in the agenda packs. The formal meeting scheduled for 10 September 2010 was postponed. Informal meetings took place on 23 July 2010 and 20 August 2010 (independent members).	Audit Committee held on 3 December 2010	
	To evaluate the effectiveness of risk management, control and governance processes	Facilitation of annual review of the effectiveness of the Risk Management Policy by the Chief Financial Officer.	Risk Management Policy (Base line: Memorandum / Minutes / Report)	1			1		Chief Financial Officer, Internal Audit, Audit Committee	N/A	N/A	N/A	N/A	
		Facilitation of the annual review and update of the risks in the Risk Register by departments	Risk Register (Base line: Report)	1			1		All departments	N/A	N/A	N/A	N/A	
		Facilitation of compilation of new Risk Treatment Plans by departments for all risks as per the Risk Register	Risk Treatment Plans: Facilitation of compilation of Risk Treatment Plans for all (100%) identified risks. (Base line: Report)	1			1		All departments	N/A	N/A	N/A	N/A	

Draft Mid -year Budget and Performance Assessment -2010/2011

		Key Performance Indicator	Base Line	Annual Targets	Quarterly Targets				Responsibility				
				2010/11	Q1	Q2	Q3	Q4		Actual 1st Quarter	Actual 2nd Quarter	Comments	Comments
		Review of Risk Treatment Plans for effective design	Risk Treatment Plans: 100% review of Risk Treatment Plans for all risks identified (Base line: Report)	1				1	Internal Audit	N/A	N/A	N/A	N/A
Facilitation of implementation and monitoring of Risks and Risk Treatment Plans by departments	Risk Register and Risk Treatment Plans discussed at departmental meetings (standing agenda point)	Monthly minutes by each department	Monthly minutes by each department						All departments, Chief Financial Officer, Internal Audit, Audit Committee			The plan is to consolidate IA effort around the various projects relating to risk management to enable more efficient process of engaging across the 8 Departments. Consolidated project effort includes: (1) analyse and interviews around outcomes of the Top 40 risk monitoring processes; (2) review of sample of Risk Treatment Plans; (3) recommendations and ideas regarding content of monthly meeting agenda and related documentation format, flow and timing; (4) receipt of commentary if any on proposed amendments to risk management policy.	The plan is to consolidate IA effort around the various projects relating to risk management to enable more efficient process of engaging across the 8 Departments. Consolidated project effort includes: (1) analyse and interviews around outcomes of the Top 40 risk monitoring processes; (2) review of sample of Risk Treatment Plans; (3) recommendations and ideas regarding content of monthly meeting agenda and related documentation format, flow and timing; (4) receipt of commentary if any on proposed amendments to risk management policy.
	(Base line: Minutes of Risk Management agenda point of each department)	(12 minutes x 8 departments = 96 monthly minutes)	(12 minutes x 8 departments = 96 monthly minutes)		24 monthly extracts by each department (3 minutes x 8 departments)	24 monthly extracts by each department (3 minutes x 8 departments)	24 monthly extracts by each department (3 minutes x 8 departments)	24 monthly extracts by each department (3 minutes x 8 departments)		No extracts of minutes received from departments. Please refer comment.	No extracts of minutes received from departments. Please refer comment.		
	Base line: Assessed, summarised and reported on by Internal Audit to Internal Audit Steering Committee and Audit Committee	Reporting on 100% of extracts from minutes received	Reporting on 100% of extracts from minutes received		100% of extracts received in previous quarter	100% of extracts received in previous quarter	100% of extracts received in previous quarter	100% of extracts received in previous quarter		No extracts of minutes received from departments. Please refer comment.	No extracts of minutes received from departments. Please refer comment.	Scheduled to commence in October 2010.	Scheduled to commence in January 2011.

Annexure 3.2:

M E M O R A N D U M



POSMIS/PO BOX 19 GEORGE 6530
E-POS/E-MAIL: charifak@george.org.za. TEL: (044) 801 9180 FAX/FAX: 0845 299 910
DIREKTORAAT: KORPORATIEWE- EN MAATSKAPLIKE DIENSTE
DIREKTORAAT: CORPORATE AND SOCIAL SERVICES

AAN: TO:	ACTING DIRECTOR FINANCIAL SERVICES
VAN: FROM:	GW LOUW ACTING DIRECTOR: CORPORATE AND SOCIAL SERVICES
TEL: TEL:	044 801 9180
DATUM: DATE:	17 January 2011
VERWYS: REF:	
INSAKE: REGARDING:	SECTION 72 REPORT: MIDYEAR BUDGER AND PERFORMANCE ASSESSMENT

Your memorandum dated 11 January 2011, in the above regard, has reference.

Herewith is my response to your request viz:

1. CAPITAL BUDGET

My directorate has no major issues, regarding capital spending. The projects listed will be completed by the end of the current financial year, given the limited funds available.

2. OPERATING BUDGET

2.1 SOCIAL DEVELOPMENT (VOTE 0399 & 0400)

Vote 0399 1123 reflects that R488 000 is still available. A formal tender was advertised but no service provider has been appointed. The delivery of products is being done by means of quotations and a possible saving is projected for this activity.

2.2 ECONOMIC DEVELOPMENT

R536 000 has been allocated to training vote 0736 – 4297, but the income for a similar amount has not been realised. This amount should be removed from the budget. R40 000 in vote 0736 – 1122 (projects) should be appropriated in the capital budget, as a roll over from 2009 / 2010 financial year (Masakhane Mail Phase 1).

3. ANNUAL REPORT

The information provided in the Annual Report is a true reflection of the activities of this directorate for 2009 / 2010 financial year.

I trust you will find the above in order.

Regards

GW LOUW
ACTING DIRECTOR: CORPORATE AND SOCIAL SERVICES

Corporate & Social Services

Summary of 2010/11 budget progress

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

	Capital Expenditure R'000	Operating Income R'000	Operating Expenditure R'000
Revised Budget	1,829	3,115	50,018
Open on SAMRAS	1,214	3,115	50,018
Plan to Date (SDBIP)	154	1,243	23,548
Actual	94	1,351	22,731
Variance to SDBIP	-60	109	-817
% Variance to SDBIP	-39%	9%	-3%
% of annual budget	5%	43%	45%

The above figures are explained in more detail throughout this report.

Capital Expenditure

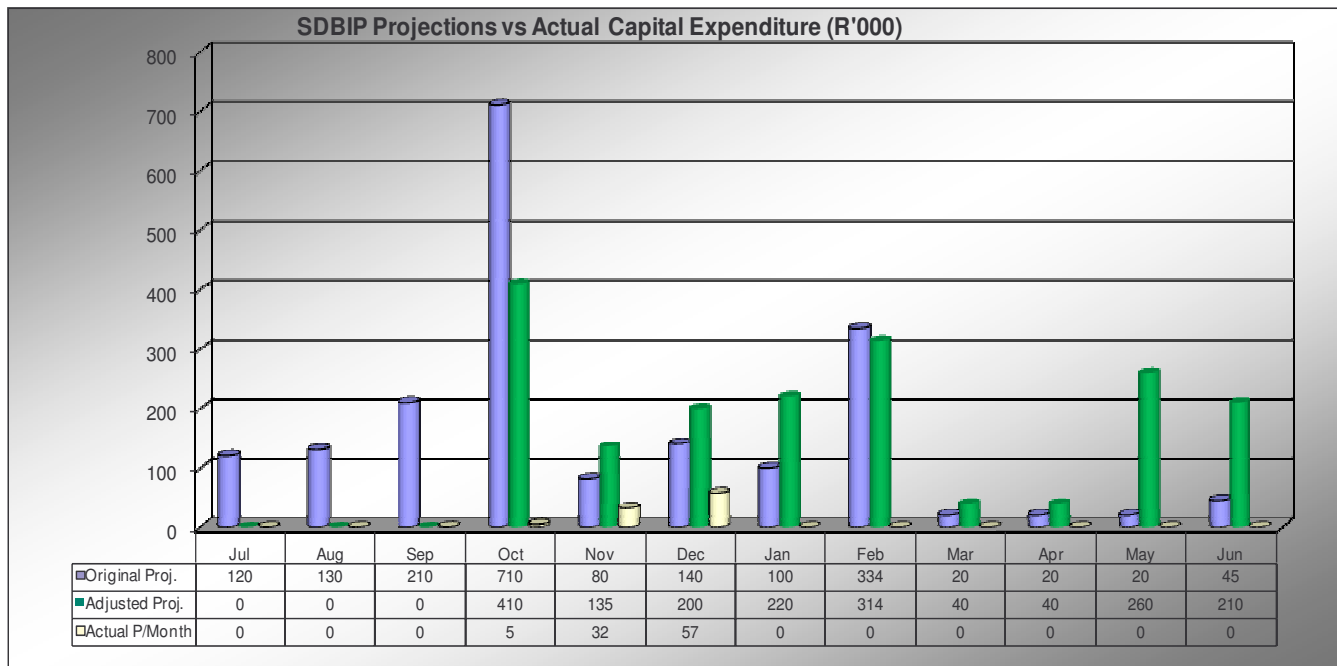
The following table shows the actual capital expenditure for each Department/Project against that planned in the SDBIP at 31 December 2010.

	Revised Budget	Budget available on SAMRAS	Planned (SDBIP)	Actual Exp.	Variance	Variance %
General	350	125	25	4	-21	-85%
Libraries	269	269	11	9	-2	-18%
Civic Centre	135	112	0	0	0	0%
IT & Telecommunications	300	220	20	29	9	47%
Community Halls	775	488	98	52	-46	-47%
Total	1,829	1,214	154	94	-60	-39%

An amount of R 93,581 was spend to date.

Explanation and corrective measures are provided on page 7 & 8, per project.

The following graph compares the capital expenditure projections of the 2010/11 SDBIP against the actual capital expenditure per month for this department.



Draft Mid -year Budget and Performance Assessment -2010/2011

Capital Budget 2010 - 2011
December 2010

R'000

	Budget				Dec	Dec	Planned	Actual	Spent	Spent		Explanation
	Original Budget	available on Samras	Start Date	Completion Date	2010 planned (SDBIP)	2010 actual	Spent to Date (SDBIP)	to Date	to Date variance	to Date % variance	Projections Revised	
GENERAL	350,000	125,000			0	0	25,000	3,664	-21,336	-85%		
OFFICE EQUIPMENT	50,000	25,000	Nov 10	June 11	-	-	25,000	3,664	(21,336)	-85%		Project ongoing. Amount will be prioritised according to the needs within the department.
BULK FILERS FOR PLANNING	300,000	100,000	Oct 10	Oct 10	-	-	-	-	-	No Planned Spend	1	Busy awarding quotation to the successful supplier.
LIBRARIES:	268,900	268,900			0	0	10,900	8,950	-1,950	-18%		
DISABLED TOILETS - THEMBALETHU LIBRARY - MAN	80,000	80,000	Dec 10	Jan 11	-	-	-	-	-	No Planned Spend	1	Project is in the planning phase and will be completed by end of June 2011.
DISABLED TOILETS - MAIN LIBRARY - MAN	80,000	80,000	Dec 10	Jan 11	-	-	-	-	-	No Planned Spend	1	Project is in the planning phase and will be completed by end of June 2011.
ICT SYSTEM	10,900	10,900	Feb-11	Feb-11	-	-	10,900	8,950	(1,950)	-18%	1	Project complete.
CAMI PROGRAM	18,000	18,000	Feb-11	Feb-11	-	-	-	-	-	No Planned Spend	1	Will not commence with project. Awaiting approval from Province to utilise the funds on a different project.
DISABLED TOILETS - PACALTSORP LIBRARY - MAN	80,000	80,000	Mar-11	Jun-11	-	-	-	-	-	No Planned Spend		Project is in the planning phase and will be completed by end of June 2011.
CIVIC CENTRE	135,000	112,000			0	0	0	0	-	No Planned Spend		
TABLES AND CHAIRS COUNCIL CHAMBERS	100,000	100,000	July 10	Sept 10	-	-	-	-	-	No Planned Spend	1	Project will be completed by Environmental Affairs.
COVERING DISABLED RAMPS WITH NOROMIN	35,000	12,000	Nov 10	Nov 10	-	-	-	-	-	No Planned Spend	1	Went out on quotation. Project will be completed by end of June 2011.
IT & TELECOMMUNICATION	300,000	220,000			10,000	25,746	20,000	29,421	9,421	47%		
15 X MICROPHONES(COUNCIL CHAMBERS)	50,000	50,000	July 10	Sept 10	-	-	-	-	-	No Planned Spend	1	The Department indicated that the funding is not sufficient and that it must be addressed in the adjustment budget.
BACK-UP TAPE DRIVE UNIT	5,000	5,000	July 10	Sept 10	-	-	5,000	3,675	(1,325)	-27%		Project complete.
STORAGE AREA NETWORK SYSTEM: DISASTER RECOVERY PLAN	145,000	145,000	July 10	Sept 10	-	8,763	-	8,763	8,763	No Planned Spend		Will not commence with project. Approval was received to utilise funding on another project. Expenditure i.r.o. a Back-up box that was purchased.
WIRELESS NETWORK	20,000	20,000	July 10	Sept 10	10,000	16,982	15,000	16,982	1,982	13%	1	Installation at the Fire dept is complete. Must still do the Blanco library.
COMPUTER EQUIPMENT (LAPTOPS FOR COUNCILLORS)	80,000	-	Nov 10	Feb 11	-	-	-	-	-	No Planned Spend		Funding not yet available.

Draft Mid -year Budget and Performance Assessment -2010/2011

December 2010	Original Budget	Budget available on Samras	Start Date	Completion Date	Dec 2010 planned (SDBIP)	Dec 2010 actual	Planned Spent to Date (SDBIP)	Actual to Date	Spent to Date variance	Spent to Date % variance	Projections Revised	Explanation
COMMUNITY HALLS	775,000	488,000			63,000	31,052	98,000	51,547	-46,454	-47%		
THEMBALETHU COMMUNITY HALL	120,000	120,000			0	0	0	0	-	No Planned Spend		
UPGRADE DISABLED TOILETS - THEMBALETHU	40,000	40,000	July 10	Sept 10	-	-	-	-	-	No Planned Spend	1	Busy drawing up of building plans. Will be completed by end of March 2011.
TABLES & CHAIRS- THEMBALETHU HALL	60,000	60,000	July 10	Sept 10	-	-	-	-	-	No Planned Spend	1	
FRIDGE	20,000	20,000	Sept 10	Sept 10	-	-	-	-	-	No Planned Spend		
LAWAAIKAMP COMMUNITY HALL	20,000	20,000			20,000	8,122	20,000	8,122	-11,878	-59%		
FRIDGE - LAWAAIKAMP HALL	20,000	20,000	Dec 10	Dec 10	20,000	8,122	20,000	8,122	(11,878)	-59%		Project complete.
ROSEMORE COMMUNITY HALL	20,000	20,000			20,000	8,122	20,000	8,122	-11,878	-59%		
FRIDGE - ROSEMORE HALL	20,000	20,000	Dec 10	Dec 10	20,000	8,122	20,000	8,122	(11,878)	-59%		Project complete.
PARKDENE COMMUNITY HALL	305,000	305,000			0	-8,122	35,000	12,373	(22,627)	-65%		
TABLES AND CHAIRS : PARKDENE HALL	150,000	150,000	Feb 11	Feb 11	-	-	-	-	-	No Planned Spend		Busy awarding quotation to the successful supplier.
STOVE & WARMER : PARKDENE HALL	15,000	15,000	Feb 11	Feb 11	-	-	15,000	4,251	(10,749)	-72%	1	Project complete.
FRIDGE : PARKDENE HALL	20,000	20,000	Sept 10	Sept 10	-	(8,122)	20,000	8,122	(11,878)	-59%	1	Project complete.
CURTAINS & BLINDS : PARKDENE HALL	120,000	120,000	Feb 11	Feb 11	-	-	-	-	-	No Planned Spend		Busy awarding quotation to the successful supplier.
KLEINKRANTZ COMMUNITY HALL	310,000	0			0	0	0	0	0	No Planned Spend		
FRIDGE	20,000	-	Oct 10	Oct 10	-	-	-	-	-	No Planned Spend	1	
STOVE & WARMER	20,000	-	Oct 10	Oct 10	-	-	-	-	-	No Planned Spend	1	
CURTAINS AND BLINDS	120,000	-	Oct 10	Oct 10	-	-	-	-	-	No Planned Spend	1	
TABLES AND CHAIRS	150,000	-	Oct 10	Oct 10	-	-	-	-	-	No Planned Spend	1	
CONVILLE COMMUNITY HALL	0	23,000			23,000	22,930	23,000	22,930	-70	0%		
BURGLAR BARS & SECURITY GATES	-	23,000			23,000	22,930	23,000	22,930	(70)	0%		Order has been placed, awaiting the payment certificate.
% of Annual Budget Spent	1,828,900	1,213,900			73,000	56,797	153,900	93,581	(60,319)	-39%		

Operating Income

The following table shows the actual operating income against that planned in the SDBIP at 31 December 2010.

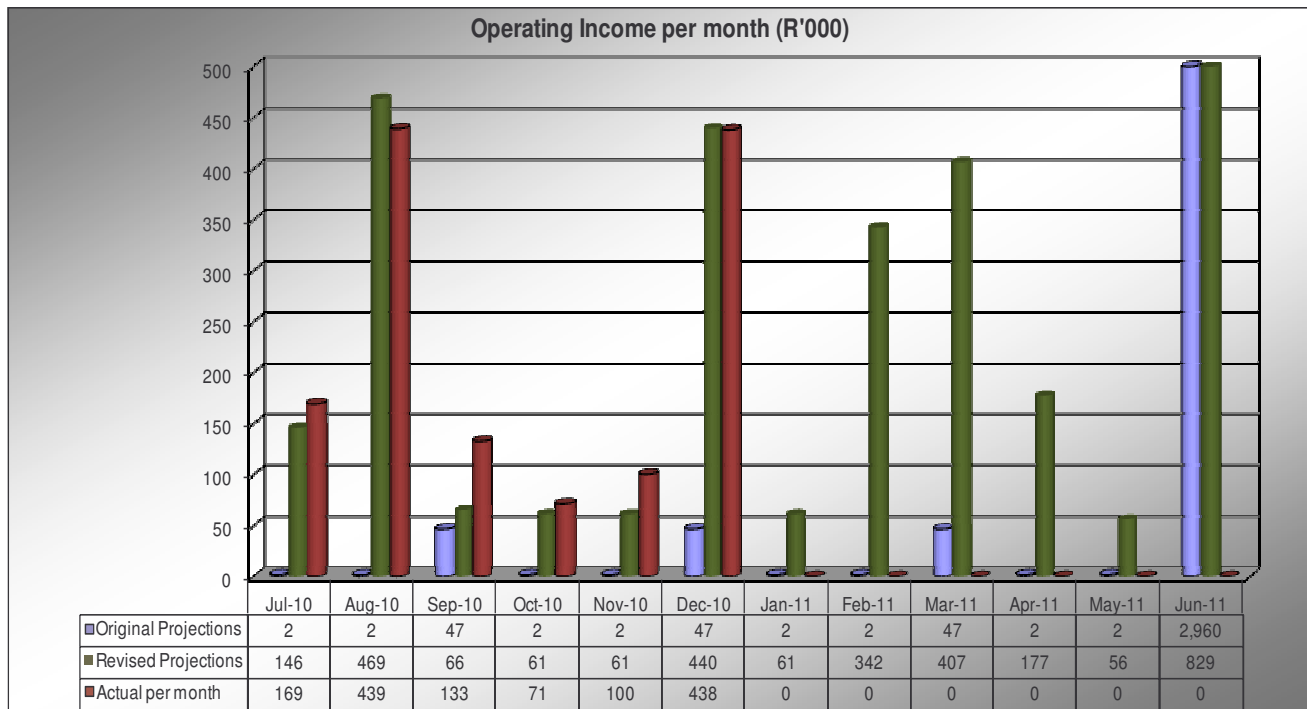
<u>INCOME</u>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED INCOME TO DATE (SDBIP)	ACTUAL INCOME TO DATE	VARIANCE	% VARIANCE
ADMINISTRATION	(6,000)	(6,000)	(3,500)	(1,244)	2,256	-64%
CUSTOMER SERVICES	(100,000)	(100,000)	-	-	-	0%
SWITCH BOARD	(300,000)	(300,000)	(155,000)	(180,868)	(25,868)	17%
BLANCO HALL	(20,000)	(20,000)	(10,000)	(16,031)	(6,031)	60%
CIVIC CENTRE	(190,000)	(190,000)	(96,000)	(63,984)	32,016	-33%
CONVILLE HALL	(34,000)	(34,000)	(19,167)	(28,239)	(9,072)	47%
HUMAN RESOURCES	(500,000)	(500,000)	(95,000)	(97,940)	(2,940)	3%
PACALTSODORP HALL	(35,000)	(35,000)	(17,500)	(27,429)	(9,929)	57%
THEMBALETHU HALL	(23,000)	(23,000)	(13,400)	(20,880)	(7,480)	56%
TOUWSRANTEN HALL	(22,000)	(22,000)	(11,200)	(16,833)	(5,633)	50%
ROSEMORE HALL	(27,000)	(27,000)	(13,500)	(13,267)	233	-2%
LAWAAIKAMP HALL	(23,000)	(23,000)	(11,500)	(10,373)	1,128	-10%
COMPUTER : NETWORK	-	-	-	-	-	0%
MAIN LIBRARY: CALEDON STREET	(1,202,000)	(1,202,000)	(783,000)	(779,292)	3,708	0%
BRANCH LIBRARIES	(97,475)	(97,475)	(13,750)	(22,758)	(9,008)	66%
DIRECTOR: CORP & SOCIAL SERVICES	-	-	-	-	-	0%
TOURISM BUREAU	-	-	-	(7,041)	(7,041)	No Planned Income
LOCAL ECONOMIC DEVELOPMENT	(536,000)	(536,000)	-	(1,000)	(1,000)	0%
SOCIAL SERVICES	-	-	-	(64,000)	(64,000)	No Planned Income
HIV PROJECTS	-	-	-	-	-	0%
	(3,115,475)	(3,115,475)	(1,242,517)	(1,351,177)	(108,661)	9%
% of Annual Budget Billed				43.37%		

The above table shows that there is currently an over achievement of income of R 108,661 against the planned level of income of R 1,242,517.

- The income at Social Services was a donation for the Women's Day celebration.
- Managers must provide reasons for variances above 10%.

Draft Mid -year Budget and Performance Assessment -2010/2011

The following graph indicates the planned income against the actual income per month.



Operating Expenditure

The following table shows the actual operating expenditure for each Department against that planned in the SDBIP at 31 December 2010.

<u>EXPENDITURE</u>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED EXP. TO DATE (SDBIP)	ACTUAL EXP. TO DATE	VARIANCE	% VARIANCE
ADMINISTRATION	5,437,247	5,434,247	2,823,163	3,135,819	312,655	11%
CUSTOMER SERVICES	2,215,095	2,215,095	1,186,690	1,205,636	18,946	2%
SWITCH BOARD	1,442,930	1,442,930	729,205	736,329	7,124	1%
BLANCO HALL	139,680	139,680	70,060	82,461	12,401	18%
CIVIC CENTRE	8,135,922	8,135,922	3,973,638	3,605,136	(368,501)	-9%
CONVILLE HALL	379,816	379,816	191,295	220,661	29,367	15%
HUMAN RESOURCES	10,593,000	10,663,000	5,672,758	5,311,684	(361,074)	-6%
PACALTS DORP HALL	325,393	325,393	163,192	182,890	19,698	12%
THEMBALETHU HALL	338,523	338,523	139,243	175,715	36,472	26%
TOUWSRANTEN HALL	143,590	143,590	73,065	81,017	7,952	11%
ROSEMORE HALL	49,800	49,800	20,400	42,392	21,992	108%
LAWAAIKAMP HALL	41,600	41,600	7,000	96,496	89,496	1279%
COMPUTER : NETWORK	2,440,832	2,440,832	747,892	671,147	(76,745)	-10%
MAIN LIBRARY: CALEDON STREET	4,046,498	4,046,498	2,075,972	1,933,218	(142,754)	-7%
BRANCH LIBRARIES	2,458,460	2,458,460	1,239,496	1,325,181	85,685	7%
DIRECTOR: CORP & SOCIAL SERVICES	1,184,228	1,184,228	161,717	154,936	(6,780)	-4%
TOURISM BUREAU	1,961,073	1,961,073	1,113,553	862,915	(250,638)	-23%
LOCAL ECONOMIC DEVELOPMENT	3,011,547	3,011,547	703,669	523,627	(180,041)	-26%
SOCIAL SERVICES	4,938,413	4,898,413	2,044,396	1,979,092	(65,304)	-3%
HIV PROJECTS	734,108	738,108	411,371	404,567	(6,804)	-2%
	50,017,755	50,048,755	23,547,774	22,730,918	(816,856)	-3%
% of Annual Budget Spent				45.42%		

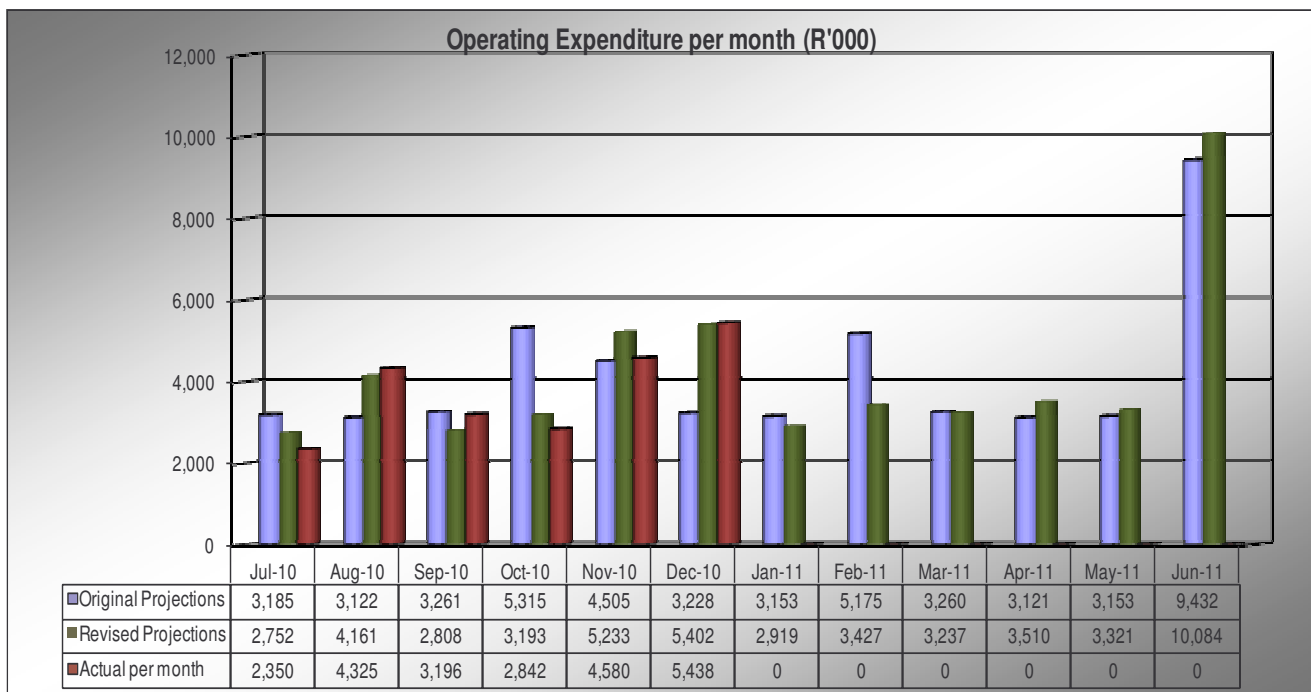
Draft Mid -year Budget and Performance Assessment -2010/2011

The above table shows that there is currently an under spending of R 816,856 against the planned level of expenditure of R 23,547,774.

Reasons for over/under spending:

- Rosemore Hall - Salaries and temporary personnel was paid for which no provision was made.
- Lawaaikamp Hall - No provision for interest on long-term loans was made.

The following graph indicates the planned expenditure against the actual expenditure per month.



Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality (Department: Deputy Municipal Manager)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line	Quarterly Targets						
				2010/11	Q1	Q2	Q3	Q4		
KPA 18: Local Economic Development	To create and facilitate an enabling environment for LED in the Municipality	Finalise revision of the LED Structure	1	1	0	1	0	0	Tender was Advertised and put through Bid Committee	
		Arts and Crafts Show case	1	1	0	1	0	0	Place advertisement in the local news paper to invite participants. Phone existing local artists and crafters on the databse. Arrange venue at Garden Route Mall and have discussions with the nearby restaurants about the possibility of holding a function the night of the exhibition	Event successfully hosted 17 - 20 November 2010 in Garden Route Mall. Opening function hosted on 17 November. 20 Stalls provided to emerging Art & Crafters in partnership with Cape Craft & Design Institute. Die Burger insert in 3000 newspapers distributed in & around George.
		Empowerment workshop	1	1	0	0	0	1	To take place in the 4th quarter	To take place in 4th quarter
		Entrepreneurs week	1	1	0	1	0	0	It has been established that the Entrepreneurs week may be held in Oudtshoorn in November 2010, although it has not been finilized.	Event arranged by SEDA, George Municipality only a partner, provides minimal funds in form of stall and possible transport for attendees towards event. Was planned for Oudtshoorn, but not executed yet due to lack of interest.
		200 year festival song writing contest	0	1	0	0	1	0		Incorporated into George 200 Organising committee duties. Decision to be made around re-allocation of funds to George 200 vote.
		Skills Development (Computer Training)	Average 40 students per quarter	160	20	40	50	50	It has been established that although the Iset Seta will consider funding the Computer Training in George, that they will insist on training 40 students for a twelvemonth period.	Negotiations with ISETT SETA well advanced around 12-month intern contract. Revise original schedule for training and also incorporate internal Municipal staff in training. Quotations to be requested, needs analysis for computer training to be done per Department (HR assistance)
	To Create and Maintain an economic and municipal information database	1 Data base maintained monthly	0	1	0	0	1	1	LED is experiencing a problem with the project as learnerships we to be appointed with the assistance with Eden DM. These learnerships have however not yet materialize.	The Economic Development unit runs a basic database (essentially only a list of names of interested parties) for Arts & Crafts projects in the Area. To investigate possible generic database software use (e.g. Microsoft Access) or online tools to streamline and modernise. Also a need to develop a central EPWP database to better administer job seeker data within the Municipality
	Formalise Masakhane Mall	1 Masakhane Mall completed	0	Constructiof phase 1 & 2	Constructi on phase 1	Constructi on phase 2	0	0	Construction phase I completed. Construction phase 2 was planned subject to the ammount of R500 000.00 being provided on the 2010/2011 budget as these funds were rerouted to other projects phase 2 can only be started once outside funds have been source.	Phase 1 completed, funding proposal for full upgrade (R10 Mil) submitted via Eden District. To investigate other funding avenues.
			0	0	0	0	0	0		
			0	Rental agreement	0	1	0	0		Lease agreement not yet resolved, in process with Legal Services.

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Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets					
				2010/11	Q1	Q2	Q3	Q4	Actual 1st Quarter	Actual 2nd Quarter
KPA 19: Tourism		Attend International and National Marketing events	0	4	0	1	2	1	No Trade shows or Marketing events was attended for the 1st and 2nd quarter, but attending the INDABA in Durban are being considered	0
		Design and publish a new brochure	0	Design = 1 Draft completed =1 Published= 1	1(design)	1(draft)	1(publish)	0	The Tourism Section has started with the design of a relevant high quality brochure. The content and photo's has been selected. Meetings have been set up with 3 printing and graphic design companies, Drukkor, Blitsdruk and Patron Printers. Maps were printed with the major tourism products highlighted and general information such as contact details. The Brochure will be completed by February 2011.	2
		Establishment of an art and crafts centre and the development of local artists and crafters	0	4	1(project plan)	1(Funding proposal)	1(Implementation plan)	1(First phase progress)	R9.5 Million was received from The Provincial Department of Economic Development and Tourism for the upgrading and renovation of the George Tourism Office. A section of the building will be utilized as an arts and crafts centre after the renovations. The building plans for the renovations has been approved and signed off by the George Municipality Planning department and the Tourism Section is currently waiting on the implementing agency, KhoiSan Implementation, to start with the renovations.	2
		No of quarterly reports indicating progress in terms of program to be submitted	0	4	1	1	1	1	No Quarterly reports have been submitted before, reason being the position Manager: Tourism was vacant. The first quarterly report will be submitted by January 2011.	0
		At least bi-monthly meeting with tourism trade	0	6	1	2	1	2	The tourism section had meetings with Outeniqua Tourism Association and the Wilderness Rates Payers Association.	2

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Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets					
				2010/11	Q1	Q2	Q3	Q4	Actual 1st Quarter	Actual 2nd Quarter
KPA 37: Communication	Effective internal and external communication in the Municipality	Number of internal newsletters	4	4	1	1	1	1		
		Number of external newsletters - George Focus	12	4	3	3	3	3		
		Report on the updating and maintenance of the municipal web site	0	1	1	1	1	1		
		Publishing of Fokus-Op	24		6	6	6	6		
	To ensure effective publicity, marketing and branding of the Municipality	Promotional Items distributed	2000	2500	0	1500	250	250		
		(Promotional) Marketing articles in Publications	4 Articles in Publications	48	1	1	1	1		
KPA 39: HIV/Aids	To contribute towards the reduction in the prevalence of HIV/Aids in the Municipal area	Number of special events organised	4	3	0	1	1	1	1	1
		Number of health awareness campaigns held	50	50	13	12	13	12	24	13
		Number of treatment and care projects	200	200	50	50	50	50	55	53
		Number of people counselled by HIV councillors	500	500	125	125	125	125	1282	274

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Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets					
				2010/11	Q1	Q2	Q3	Q4	Actual 1st Quarter	Actual 2nd Quarter
KPA 40: Targeted	To facilitate and coordinate the strengthening of targeted (Gender) groups within the	Number awareness events	2	2	1	1	0	0	0	1
		Number of projects	5	5	1	1	0	3	0	2
		Number of educational sessions	1	1	0	0	1	0	0	0
	To facilitate and coordinate the strengthening of Disability issues within the municipality	Number of awareness events	3	3	2	0	0	1	1	1
		Number of projects	11	11	1	2	8	0	0	3
		Number of education sessions	1	1	0	1	0	0	0	27
	To facilitate and coordinate the strengthening of Youth issues within George	Number of development programmes/projects	20	16	4	4	4	4	10	6
		Policy Review	0	1	0	1	0	0	0	0
		Number of special events organised	2	1	0	0	0	1	0	0
		Number of functioning youth councils	5	20	5	5	5	5	12	12
		Number of Government Events support provided	15	8	2	2	2	2	8	12

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	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets					
				2010/11	Q1	Q2	Q3	Q4	Actual	1st Quarter
	Establish and Support after care centres in the Municipality	Number of centres supported	2	6	3	4	5	6	Project not approved by Directorate, Finance	Project not approved the Directorate, Finance
		Number of new centres established	1	4	1	1	1	1	As above	As above
	Establish and support art and craft groups in the municipality	Number of support groups	15	19	16	17	18	19	14 Groups functioned independently.	14 Groups functioned independently.
		Number of new groups	5	4	1	1	1	1	No new groups established due to inadequate funding.	No new groups established due to inadequate funding.
	Provide information sessions regarding	Number of sessions	50	50	13	13	12	12		13 awareness sessions held(door -to -doors, puppet shows, educational talks.
		Number of new food gardens	100	100	25	25	25	25	20	8 New foodgardens established. No more seed packets were left.
	Monitoring the functions of crèches in the municipality	Number of quarterly reports submitted	44	44	11	11	11	11	0	No reports received from Crèches.
		Funding spend on support	0	25 000	7 000	6 000	6 000	6 000	R4, 216.00 worth donations to Crèches.	R22, 383.44
		Management contracts for crèches	2	1	1	0	0	0	2	8 Existing crèches were monitored. Contracts were reviewed.
	Reduction in the number of children living on the street	Number of reports to council	12	12	3	3	3	3	1	1
	Establish, support and monitor soup kitchens in the municipality	Number of monitoring reports to council	12	12	3	3	3	3	0	1 Report (137 existing soupkitchens monitored and support)

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Objectives, Goals, KPI's and Targets of the Municipality												
(Department: Deputy Municipal Manager)												
Municipal Key Performance	IDP Goal/Objective	Key Performance Indicator	Base Line	Quarterly Targets					Actual	1st Quarter	Actual	2nd Quarter
				2010/11	Q1	Q2	Q3	Q4				
KPA 28: Training and Capacity Building	To facilitate training and development of employees and councillors	Number of participants on literacy programmes	80	50	0	0	50	0	58		58	
		Percentage of skills levies claimed back	100%	100%	0%	0%	100%	0%	0%		0%	
		KPA – Percentage of budget actually spent on implementing workplace skills plan	0%	1,200,000	400,000	400,000	400,000	400,000	65,954		50,023	
KPA 29: Occupational Health and safety	To provide a safe and healthy work environment to all employees	Number of work related accidents reported	100%	100%	100%	100%	100%	100%			25%	
KPA 30: People Management and Empowerment	To maintain sound labour relations	Number of local labour forums	4	12	3	6	9	12	2		3	

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Objectives, Goals, KPI's and Targets of the Municipality												
(Department: Deputy Municipal Manager)												
Municipal Key Performance	IDP Goal/Objective	Key Performance Indicator	Base Line	Quarterly Targets					Actual		Actual	
				2010/11	Q1	Q2	Q3	Q4	1st Quarter		2nd Quarter	
	Recruitment and selection of staff for budgeted vacancies	% of all requisitions of filling of post received	90%	100%	70%	80%	90%	100%	70%		70%	
KPA 31: Employment Equity	To review & implement the Employment Equity Plan	Annual report to Dept of Labour	1	1	0	0	1	0	0		1	
		KPA – The number of people from employment equity target groups employed in compliance with the approved employment equity plan	80%	80%	80%	80%	80%	80%	80%		80%	
KPA 32: Public Participation	To ensure and promote the participation of George communities in the activities of the Municipality	% of complaints attended to within 24 hours	500	500	500	500	500	500	To be submitted by P Saaiman			

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Objectives, Goals, KPI's and Targets of the Municipality												
(Department: Deputy Municipal Manager)												
Municipal Key Performance	IDP Goal/Objective	Key Performance Indicator	Base Line	Quarterly Targets								
				2010/11	Q1	Q2	Q3	Q4	Actual	1st Quarter	Actual	2nd Quarter
KPA 33: Administrative Support	To provide an effective records management service	X1 Collaborator functional	10%	100%	100%	100%	100%	100%	100%		100%	
		Leave register assessed once a month (100% of leave register updated)	100%	100%	100%	100%	100%	100%	100%		100%	
		Response to internal and external enquiries	44 per month	44 per month	132	132	132	132				
	Arrangement of Council/Committee meetings as per the meeting schedule of Council, and compiling the agenda's and minutes to Council meetings	Timeous compilation of agendas 3 days prior to meetings	98%	98%	98%	98%	98%	98%	98%		98%	
		Timeous compilation of departmental instructions following meetings	98%	98%	98%	98%	98%	98%	98%			
	Management Meetings	Number of management meetings per month	60	60	60	60	60	60				
KPA 34: Library Services	The provision of effective library services	Number of events held by libraries	40	40	10	10	10	10	20			

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Objectives, Goals, KPI's and Targets of the Municipality												
(Generic KPA's for all Departments)												
Municipal Key Performance	IDP Goal/Objective	Key Performance Indicator	Base Line	Quarterly Targets								
				2010/11	Q1	Q2	Q3	Q4	Actual	1st Quarter	Actual	2nd Quarter
KPA 29: Occupational Health and Safety	To provide a safe and healthy work environment to all employees	Attendance of monthly Departmental SHE meeting	12	12	3	3	3	3			3	
		Attendance of quarterly Central SHE meeting	4	4	1	1	1	1			1	
KPA 28: Training and capacity building	To facilitate training and development of employees and councillors	Number of Departmental employees send on external training	5	7	1	3	2	1	0		0	
		Number of Departmental employees send on internal training	10	15	3	4	4	4	at least 8 per dept		10	
KPA 20: Financial viability and management	Effective management of the Department	% of Capital Budget Spend	98%	98%	25%	50%	75%	98%	0%		5%	
		% of Operational Budget Spend	98%	98%	25%	50%	75%	98%	20%		45%	
	To comply and implement the supply chain management regulations	Number of procurement deviations	0	0	0	0	0	0	0		0	
KPA 33: Administrative support	Effective management of the Department	% of council decisions applicable to department implemented	98%	98%	98%	98%	98%	98%	98%		98%	

Annexure 3.3:

M E M O R A N D U M



POSBUS/PO BOX 19 GEORGE 6530
E-POS/E-MAIL: harold@george.org.za, TEL: (044) 801 9260 FAX/FAX: (044) 801 9459
DIREKTORAAT SIVIELE INGENIEURSDIENSTE
DIRECTORATE CIVIL ENGINEERING SERVICES

AAN: TO:	BUDGET OFFICE
VAN: FROM:	DIRECTOR: CIVIL ENGINEERING SERVICES HL BASSON
VERW: REF:	5/1
TEL: TEL:	9260
DATUM: DATE:	18 January 2011
INSAKE: REGARDING:	SECTION 72 REPORT: MID YEAR BUDGET AND PERFORMANCE ASSESSMENT

Your memorandum dated 11 January 2011 has reference.

Herewith our comments as requested:

Capital Budget

The biggest problem with the capital budget in this financial year was the fact that funds were not immediately available due to the late procurement of loans. All projects where funds were available did progress in accordance with the SDBIP. The extension of the water treatment works was held back because of the changes in the consumption figures that resulted in the re-prioritization of this project. This needs to be handled during the adjustment budget.

Operational budget

The maintenance budget for the sewage networks and pump stations will have to be adjusted. The budget is not sufficiently provided for. Uncertainty also exists with regard to the water income. Water consumption patterns in the post-drought situation are difficult to project and will have to be conservatively approached for the coming budget year.

Adjustment Budget

An adjustment budget will be necessary to make provision for the above mentioned changes to the capital and operation budgets.

Annual Report

All major issues were mentioned in the above mentioned report. It is not possible to attend to all these during a financial year. Efforts will be made to address these during the coming budget process and in the years after that.

Yours faithfully

HL BASSON
DIRECTOR: CIVIL ENGINEERING SERVICES

Civil Engineering Services

Summary of 2010/11 budget progress

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

R'000	Capital Expenditure R'000	Operating Income R'000	Operating Expenditure R'000
Approved Budget	88,950	213,695	204,164
Budget on Samras	64,994	213,695	204,164
Plan to Date (SDBIP)	29,342	130,592	101,235
Actual	33,493	137,701	96,412
Variance to SDBIP	4,151	7,109	-4,823
% Variance to SDBIP	14%	5%	-5%
% of annual budget	37.7%	64.4%	47.2%
% of budget available on Samras	51.5%	64.4%	47.2%

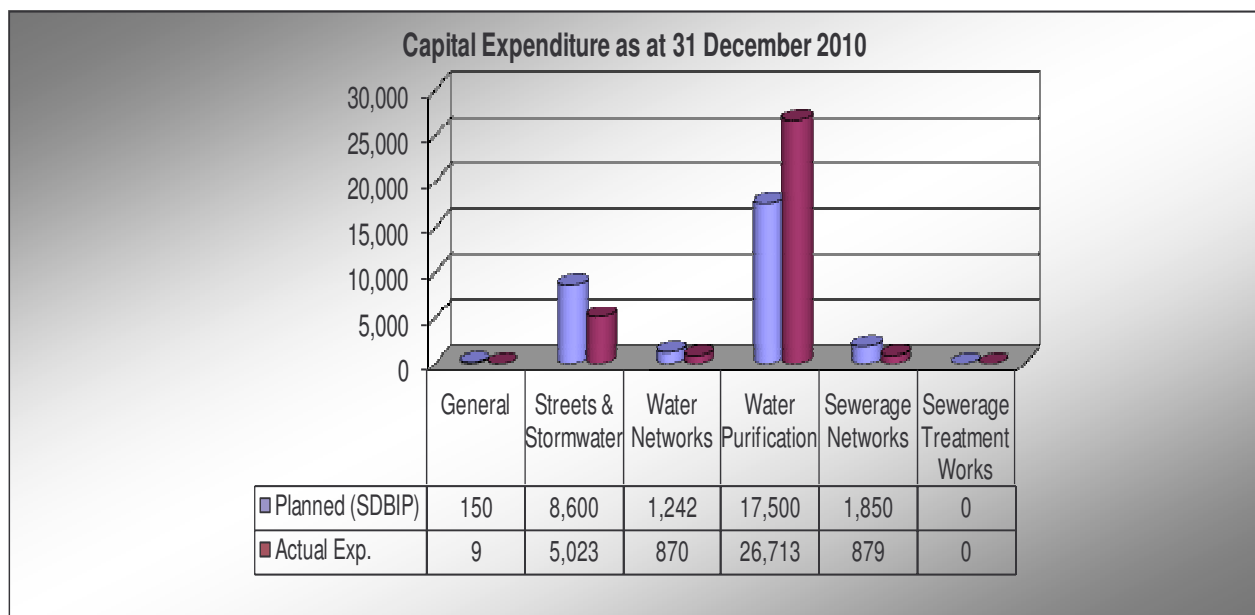
The above figures are explained in more detail throughout this report.

Capital Expenditure

The following table shows the actual capital expenditure for each Department against that planned in the SDBIP at 31 December 2010.

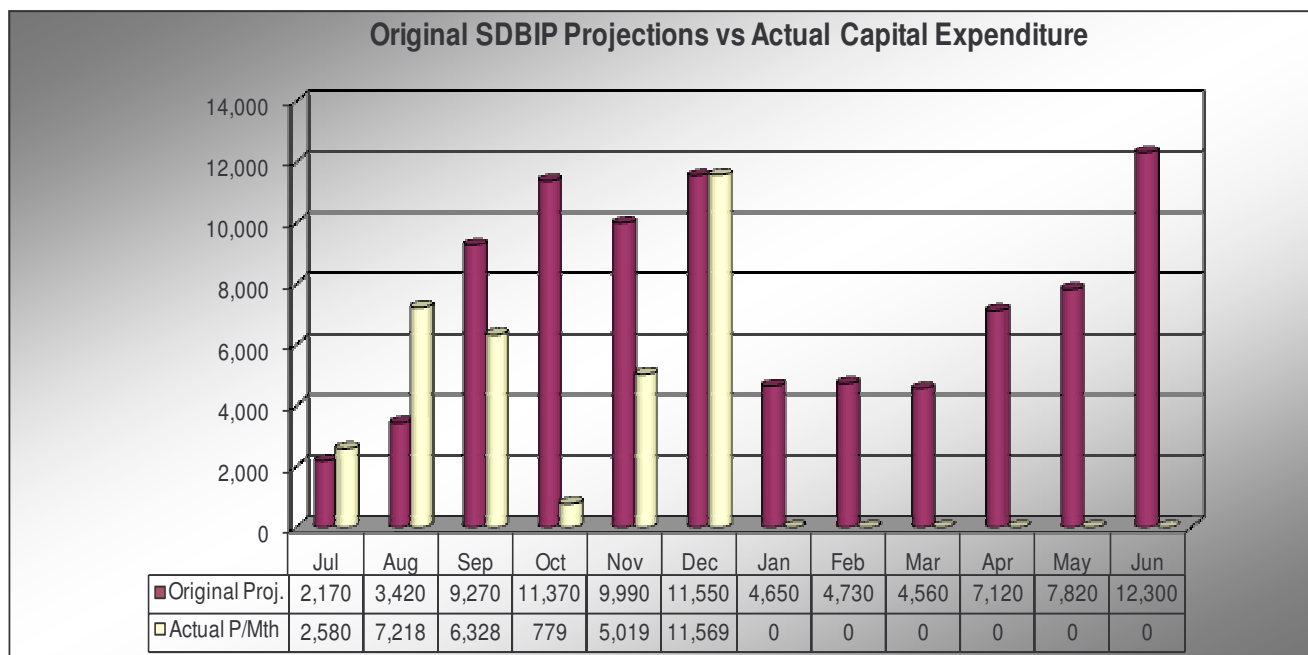
Department	Approved Budget R'000	Budget Samras R'000	Planned (SDBIP) R'000	Actual R'000	Variance R'000	Variance (%)
General	750	375	150	9	-141	-94%
Streets & Stormwater	24,400	10,000	8,600	5,023	-3,577	-42%
Water Networks	2,050	1,150	1,242	870	-372	-30%
Water Purification	53,300	48,250	17,500	26,713	9,213	53%
Sewerage Networks	8,150	4,919	1,850	879	-971	-53%
Sewerage Treatment Works	300	300	0	0	0	0%
Total	88,950	64,994	29,342	33,493	4,151	14%

The above table shows that there was an over spending of R 4 151 000 against the planned expenditure of R 29 342 000. This is shown in the following graph by department



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The following graph compares the Original Capital expenditure projections of the 2010/11 SDBIP against the Actual Capital Expenditure per month for the Civil & Technical Service Directorate



Managers have been asked to provide explanations and corrective measures for each project with a variance greater than 10% or R10 000 as agreed in the SDBIP.

Draft Mid -year Budget and Performance Assessment -2010/2011

Civil Engineering Services

Capital Budget 2010 - 2011

December 2010

R'000

	Original Budget	Budget available on Samras	Start Date	Completion Date	Dec 2010 planned (SDBIP)	Dec 2010 actual	Planned Spent to Date (SDBIP)	Actual Spent to Date	Spent to Date variance	Spent to Date % variance	Amount Available	Explanation	Corrective Measures
GENERAL:	750,000	375,000			30,000	-	150,000	9,014	(140,986)	-94%			
FURNITURE AND FITTINGS	50,000	25,000	Oct 10	Nov 10	-	-	50,000	9,014	(40,986)	-82%	15,986	Budget will be spent end of February.	
HEALTH AND SAFETY	500,000	250,000	Feb 11	Apr 11	-	-	-	-	-	No Planned Spend	250,000	Waiting for proposals for the building of emergency fire escape	
ACCESS FOR DISABLED PERSONS	200,000	100,000	Oct 10	Mar 11	30,000	-	100,000	-	(100,000)	-100%	100,000	Advertisement will be placed in January	
STREETS AND STORMWATER:	24,400,000	10,000,000			2,250,000	2,558,251	8,600,000	5,022,743	(3,577,257)	-42%			
BUILDING OF CONCRETE CANALS & DRAINS	900,000	-	July 10	Feb 11	-	-	-	-	-	No Planned Spend	-	Funding not available	
VEHICLES	1,500,000	1,500,000	Nov 10	Dec 10	750,000	-	1,500,000	-	(1,500,000)	-100%	1,500,000	Tenders have closed in December.SCM busy with evaluation.	
N2/YORK STREET BRIDGE EXTENSION	5,000,000	-	Feb 11	June 11	-	-	-	-	-	No Planned Spend	-	An item on the project will be before council in January to discuss the way forward.	
PUBLIC WORKS PROGRAM	2,000,000	2,000,000	Aug 10	Nov 10	-	172,201	2,000,000	172,201	(1,827,799)	-91%	1,827,799	MAYCO have revised and approved the priority list. Work will start in February.	
ROBOTS & INTERSECTIONS	1,000,000	1,000,000	Aug 10	Dec 10	500,000	6,931	1,000,000	72,082	(927,918)	-93%	927,918	Project ongoing	
STREET RESEALING: GREATER GEORGE	5,000,000	2,500,000	Sept 10	June 11	500,000	2,147,035	2,000,000	2,147,035	147,035	7%	352,965	Project ongoing	
MOBILITY STRATEGY	9,000,000	3,000,000	Aug 10	June 11	500,000	232,085	2,100,000	2,631,426	531,426	25%	368,574	Service provider has been appointed for the planning. R2 mil Grant tranfer took place in December.	
WATER - NETWORKS:	2,050,000	1,150,000			70,000	270,180	1,241,750	869,659	(372,091)	-30%			
INSTALLATION OF METERS	200,000	50,000	Aug 10	May 11	20,000	144,147	100,000	144,147	44,147	44%	(94,147)	Prtoject ongoing	
PROVISION OF WATER TANKS	250,000	250,000	Aug 10	Dec 10	50,000	61,838	250,000	61,838	(188,162)	-75%	188,162	Went out on tender	
NETWORK REHABILITATION	1,500,000	750,000	July 10	Apr-11	-	64,195	891,750	663,674	(228,076)	-26%	86,326	Project ongoing. Budget will be spent in January	
REPLACE OF FENCE AT CAMPS	100,000	100,000	Jan-11	Apr-11	-	-	-	-	-	No Planned Spend	100,000	Advertisement will be placed in January	

Draft Mid -year Budget and Performance Assessment -2010/2011

December 2010

	Adjustment Budget	Budget available on Samras	Start Date	Completion Date	Dec 2010 planned (SDBIP)	Dec 2010 actual	Planned Spent to Date (SDBIP)	Actual Spent to Date	Spent to Date variance	Spent to Date % variance	Amount Available	Explanation	Corrective Measures
WATER-PURIFICATION:	53,300,000	48,250,000			2,450,000	8,329,811	17,500,000	26,712,548	9,212,548	53%			
MALGAS PUMPING SCHEME	24,100,000	23,700,000	July 10	Dec 10	2,400,000	6,024,524	14,300,000	12,233,918	(2,066,082)	-14%	11,466,082	Pipeline is completed. Mechanical/Electrical tender was awarded. Busy building the pumpstation.	
RAISING GARDEN ROUTE DAM	5,500,000	500,000	Oct 10	June 11	50,000	17,763	150,000	135,853	(14,147)	-9%	364,147	Busy with the EIA.	
REFURBISHMENT OF WATERWORKS - PHASE 2	1,000,000	1,000,000	Aug 10	Sept 10	-	-	-	-	-	No Planned Spend	1,000,000	Mechanical contractor are busy with the manufacturing of equipment	
OUTENIQUA EFFLUENT FILTRATION FACILITY	6,382,600	6,782,600			-	2,287,524	875,000	6,186,610	5,311,610	607%	595,990	Project have reached practical completion	
SECTION 1 OUTENIQUA PUMSTATION & PIPELINE	3,900,000	3,900,000			-	-	750,000	3,891,501	3,141,501	419%	8,499	Currently busy with re-establishment of	
SECTION 2 OUTENIQUA PUMSTATION & PIPELINE	2,070,000	2,070,000			-	-	500,000	2,069,874	1,569,874	314%	126	terrain.	
CIVIL WORKS - OUTENIQUA PUMPSTATION	1,747,400	1,747,400			-	-	375,000	1,743,394	1,368,394	365%	4,006		
BOREHOLES PIPELINE	550,000	550,000	Oct 10	June 11	-	-	550,000	448,033	(101,967)	-19%	101,967	Project completed.	
REFURBISHMENT OF WATERWORKS - MECHANICAL/ELECTRICAL	3,000,000	3,000,000	Sept 10	Dec 10	-	-	-	-	-	No Planned Spend	3,000,000	Mechanical contractor are busy with the manufacturing of equipment	
UPGRADING PUMP STATION NO.2	2,000,000	2,000,000	Sept 10	Dec 10	-	-	-	3,365	3,365	No Planned Spend	1,996,635	Mechanical contractor are busy with the manufacturing of equipment	
EXTENSION OF WATERWORKS	3,000,000	3,000,000	Dec 10	June 11	-	-	-	-	-	No Planned Spend	3,000,000	Will be taken of at Adjustment budget.	
SECURITY FENCE AT WATERWORKS	50,000	-	June 11	June 11	-	-	-	-	-	No Planned Spend	-	Funding not available	
SEWERAGE NETWORKS:	8,150,000	4,918,760			-	411,070	1,850,000	878,631	(971,369)	-53%			
CATCH PITS	150,000	50,000	July 10	Sept 10	-	-	150,000	16,030	(133,970)	-89%	33,970	Project ongoing	
NETWORK REHABILITATION	1,500,000	500,000	July 10	Sept 10	-	173,505	1,500,000	352,140	(1,147,860)	-77%	147,860	Project ongoing	
SEWERAGE RETICULATION: PACALTS DORP - PHASE 2 (THEMB/ASAZANI)	6,500,000	4,368,760	Oct 10	June 10	-	237,564	200,000	510,461	310,461	155%	3,858,299	Only Professional fees paid. Tenders will close in January.	
					-	-	-	-	-				
SEWERAGE TREATMENT WORKS:	300,000	300,000			-	-	-	-	-	No Planned Spend			
TRACTOR	300,000	300,000	June 11	June 11	-	-	-	-	-	No Planned Spend	300,000	Tenders have closed in December.SCM busy with evaluation.	
	88,950,000	64,993,760			4,800,000	11,569,312	29,341,750	33,492,595	4,150,845	14%	31,501,165		

% of Annual Budget Spent

37.65%

% Spent of Budget available on Samras

51.53%

Operating Income

The following table shows the actual billed operating income per Department against that planned in the SDBIP at 31 December 2010.

It should be noted that the figures relate to billed income and not cash collected.

<u>INCOME</u>	APPROVED BUDGET	PLANNED INCOME TO DATE (SDBIP)	ACTUAL INCOME TO DATE	VARIANCE	% VARIANCE
PROCLAIMED ROADS	(325,000)	-	-	-	No Planned Income
SEWERAGE : MAIN LINES & P/STATION	(64,487,260)	(56,242,461)	(58,396,510)	(2,154,049)	4%
WATER POLLUTION CONTROL	(83,000)	-	(134,335)	(134,335)	No Planned Income
TOWN ENGINEER: ADMIN	-	-	-	-	No Planned Income
STREETS AND STORMWATER	(14,958,000)	(2,831,426)	(2,954,746)	(123,320)	4%
FILTRATION PLANT	-	-	-	-	No Planned Income
WATER PURIFICATION	(48,250,000)	(26,712,548)	(26,712,548)	-	0%
WATER DISTRIBUTION	(85,591,500)	(44,805,750)	(49,503,279)	(4,697,529)	10%
	(213,694,760)	(130,592,185)	(137,701,418)	(7,109,233)	5%
% of Annual Budget Billed 64.44%					

The above table shows that there is currently an over achievement of income of **R 7 109 233** against the planned income of R 130 592 185.

The following table shows the actual billed operating income per Income Source against that planned in the SDBIP at 31 December 2010.

<u>INCOME</u>	APPROVED BUDGET	PLANNED INCOME TO DATE (SDBIP)	ACTUAL INCOME TO DATE	VARIANCE	% VARIANCE
SERVICE CHARGES	(138,379,000)	(98,954,500)	(103,936,590)	(4,982,090)	5%
RENT OF FACILITIES AND EQUIPMENT	(2,500)	-	(1,005)	(1,005)	Income
FINES	(2,000)	(1,000)	-	1,000	-100%
GRANTS & SUBSIDIES RECEIVED - CAPITAL	(58,618,760)	(27,223,009)	(27,223,009)	-	0%
GRANTS & SUBSIDIES RECEIVED - OPERATING	(8,713,000)	(2,631,426)	(2,631,426)	-	0%
INTEREST EARNED - OUTSTANDING DEBTORS	(1,100,000)	-	(983,676)	(983,676)	No Planned Income
OTHER REVENUE	(6,879,500)	(1,782,250)	(2,925,711)	(1,143,461)	64%
	(213,694,760)	(130,592,185)	(137,701,418)	(7,109,233)	5%
% of Annual Budget Billed 64.44%					

Operating Expenditure

The following table shows the actual operating expenditure for each Department against that planned in the SDBIP at 31 December 2010

<u>NETT EXPENDITURE</u>	APPROVED BUDGET	PLANNED EXP. TO DATE (SDBIP)	ACTUAL EXP. TO DATE	VARIANCE	% VARIANCE
PROCLAIMED ROADS	1,052,016	322,883	322,883	-	0%
SEWERAGE : MAIN LINES & P/STATION	28,142,662	14,635,889	16,319,927	1,684,038	12%
WATER POLLUTION CONTROL	15,750,025	7,621,013	7,959,994	338,981	4%
TOWN ENGINEER: ADMIN	8,663,765	4,490,388	4,553,923	63,536	1%
STREETS AND STORMWATER	82,250,511	42,281,541	39,536,675	(2,744,866)	-6%
FILTRATION PLANT	1,250,000	645,000	0	(645,000)	-100%
WATER PURIFICATION	36,870,582	15,674,314	13,433,176	(2,241,139)	-14%
WATER DISTRIBUTION	30,184,436	15,563,997	14,285,850	(1,278,147)	-8%
	204,163,997	101,235,024	96,412,427	(4,822,597)	-5%
% of Annual Budget Spent 47.22%					

The above table shows that there was an under spending of R 4 822 597 against the planned expenditure of R 101 235 024.

The following table shows the actual operating expenditure per Expenditure Type against that planned in the SDBIP at 31 December 2010

<u>EXPENDITURE PER TYPE</u>	APPROVED BUDGET	PLANNED EXP. TO DATE (SDBIP)	ACTUAL EXP. TO DATE	VARIANCE	% VARIANCE
EMPLOYEE RELATED COSTS - SALARIES & WAGES	35,503,688	18,576,038	19,338,936	762,898	4%
EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7,407,649	3,827,793	3,870,341	42,549	1%
CONTRACTED SERVICES	856,250	0	161,931	161,931	No Planned Spend
GENERAL EXPENSES - OTHER	24,645,550	7,084,647	5,609,625	-1,475,022	-21%
DEPRECIATION	60,327,643	30,163,822	30,163,822	0	0%
BAD DEBTS	3,200,000	1,600,000	1,600,000	0	0%
REPAIRS AND MAINTENANCE	38,057,500	22,912,967	19,193,082	-3,719,885	-16%
OTHER MATERIALS	68,700	21,250	26,331	5,081	24%
INTEREST EXPENSE	34,097,017	17,048,509	16,448,359	-600,149	-4%
	204,163,997	101,235,024	96,412,427	(4,822,597)	-5%
% of Annual Budget Spent 47.22%					

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality (Civil Engineering Services)											
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line	Annual Targets	Quarterly Targets				Actual		Comments
				2010/11	Q1	Q2	Q3	Q4	Actual 1st Quarter	Actual 2nd Quarter	
MKPA 1: Sanitation	To provide and maintain safe and sustainable sanitation management and infrastructure	Percentage of new sewerage connections provided within 1 week of application received	95%	90%	90%	90%	90%	90%	95%	95%	
		Percentage of sewerage blockages cleared within 48 hours	98%	98%	98%	98%	98%	98%	99%	100%	
		Percentage of formal households with access to basic level of sewerage services	95%	98%	98%	98%	98%	98%	98%	98%	
		% of sewerage purified to requirements of SANS (Green drop)	95%	95%	95%	95%	95%	95%	88%	95%	

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality (Civil Engineering Services)											
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line	Annual Targets	Quarterly Targets				Actual		Comments
				2010/11	Q1	Q2	Q3	Q4	Actual 1st Quarter	Actual 2nd Quarter	
<i>MKPA 2: Water Services</i>	To provide world class water services in George to promote development and	KPA – Percentage of formal households with access to basic level of water	95%	98%	98%	98%	98%	98%	98%	98%	
		Percentage of new water connections within 1 week of application	90%	90%	90%	90%	90%	90%	90%	75%	Problems were experienced with meter stock. Procedures are put in place rectify this problem.
		% of water losses through network	10%	10%	10%	10%	10%	10%	6.4%	Finansies	
		% of water losses through purification	10%	10%	10%	10%	10%	10%	6.5%	6,66%	
		% of pipe bursts repaired within 48 hours	98%	98%	98%	98%	98%	98%	98%	98%	
		Replacement of water meters	800	800	200	200	200	200	187	221	
		% of water purified to meet SANS requirements (Blue drop)	95%	95%	95%	95%	95%	95%	96%	97,5%	
		Replacement of water mains	4400	1000	250	250	250	250	1011	605	

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Objectives, Goals, KPI's and Targets of the Municipality (Civil Engineering Services)											
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line	Annual Targets	Quarterly Targets				Actual		Comments
				2010/11	Q1	Q2	Q3	Q4	Actual 1st Quarter	Actual 2nd Quarter	
<i>MKPA 3: Roads, Storm water drainage and Sidewalks</i>	To provide and maintain storm water infrastructure to ensure a safe environment and limit damage due to flooding	% of formal households provided with storm water services	75%	100%	75%	80%	90%	100%	75%	80%	
		% of manholes cleared of debris	30%	30%	30%	30%	30%	30%	30%	30%	
<i>MKPA 4: Transport Planning & Traffic Engineering</i>	To provide world class transport routes and functional streets safe for all modes of transport	m ² of gravel streets upgraded to permanent surface	8000	8000	1000	2000	2000	3000	0	0	Project were put on hold. Will commence in February
		Km of tarred roads resealed	7	6	0	0.5	2.5	3	1	1	Only half of the original budget is available
<i>KPA 30: People Management and Empowerment</i>	Effective management of the Civil Engineering Services Department	% of approved capital projects completed within time	85%	95%	25%	50%	75%	95%	28%	34%	Problem also linked to funding made available
		% of council decisions applicable to department implemented	98%	98%	98%	98%	98%	98%	98%	98%	
<i>KPA 20: Financial viability and management</i>		% of land development applications commented on within 14 days	80%	90%	90%	90%	90%	90%	98.4%	100.0%	
		% of building plan applications commented on within 14 days	90%	90%	90%	90%	90%	90%	99.9%	99.6%	
		% of budgeted master plans approved	100%	100%	90%	90%	90%	90%	90%	90%	

Draft Mid -year Budget and Performance Assessment -2010/2011

(Generic KPA's for all Departments)											Comments
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets				Actual		
				2010/11	Q1	Q2	Q3	Q4	Actual 1st Quarter	Actual 2nd Quarter	
KPA 29: Occupational Health and Safety	To provide a safe and healthy work environment to all employees	Attendance of monthly Departmental SHE meeting	12	12	3	3	3	3	2	2	
		Attendance of quartery Central SHE meeting	4	4	1	1	1	1	1	2	
KPA 28: Training and capacity building	To facilitate training and development of employees and councillors	Number of Departmental employees send on <u>external</u> training	5	7	1	3	2	1	0	22	
		Number of Departmental employees send on <u>internal</u> training	10	15	3	4	4	4	20	8	
KPA 20: Financial viability and management	Effective management of the Department	% of Capital Budget Spend	98%	98%	25%	50%	75%	98%	27.6%	37,7%	The percentage reflected is based on the budgeted amount. The amounts available on SAMRAS is much lower because many projects were put on hold.
		% of Operational Budget Spend	98%	98%	25%	50%	75%	98%	20.1%	47,2%	
	To comply and implement the supply chain management regulations	Number of procurement deviations	0	0	0	0	0	0	12	13	All deviations are processed in accordance with the supply chain management regulations and approved by MM.
KPA 33: Administrative support	Effective management of the Department	% of council decisions applicable to department implemented	98%	98%	98%	98%	98%	98%	100%	100%	

Annexure 3.4:

M E M O R A N D U M



DIREKTORAAT ELEKTROTEGNIESE DIENSTE
DIRECTORATE ELECTROTECHNICAL SERVICES

AAN: TO:	FINANCE - Peter Gelderbloem	
AFSKRIF: COPY	Carey Jansen van Rensburg	
VAN: FROM:	Kevin Grünewald	
TEL: TELEFON:	X 9249	VERWYS: EF/5 REF:
DATUM: DATE:	19 January 2011	
INSAKE: REGARDING:	COMMENTS FOR MID YEAR PERFORMANCE ASSESSMENT REPORT	

The Electrotechnical Department has performed exceptionally regarding the capital budget. In spite of the funding in a number of votes becoming available at a late stage, we have spent 68,9 % of the annual budget and achieved 0% variance to the SDBIP.

The operating income is a concern. The income is under recovered by 11 %. In spite of the purchase of kWh's of electricity being slightly higher than last year for the same period, and an average tariff increase of about 15%, the income has only increased by 4.5% over last year. The reason for this deviation is being investigated, but the income will have to be adjusted at the adjustment budget.

The operating expenditure is acceptable with a 2% variance to the SDBIP

Kevin Grünewald

DIRECTOR: ELECTROTECHNICAL SERVICES

Electro-technical Services

Summary of 2010/11 budget progress

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

Electrotechnical Services	Capital Expenditure R'000	Operating Income R'000	Operating Expenditure R'000
Approved Budget	55,802	350,140	282,490
Budget on Samras	48,497	350,140	282,490
Plan to Date (SDBIP)	38,593	171,400	129,040
Actual	38,426	152,312	126,139
Variance to SDBIP	-167	-19,088	-2,901
% Variance to SDBIP	0%	-11%	-2%
% of annual budget	68.9%	43.5%	44.7%
% of budget available on Samras	79.2%	43.5%	44.7%

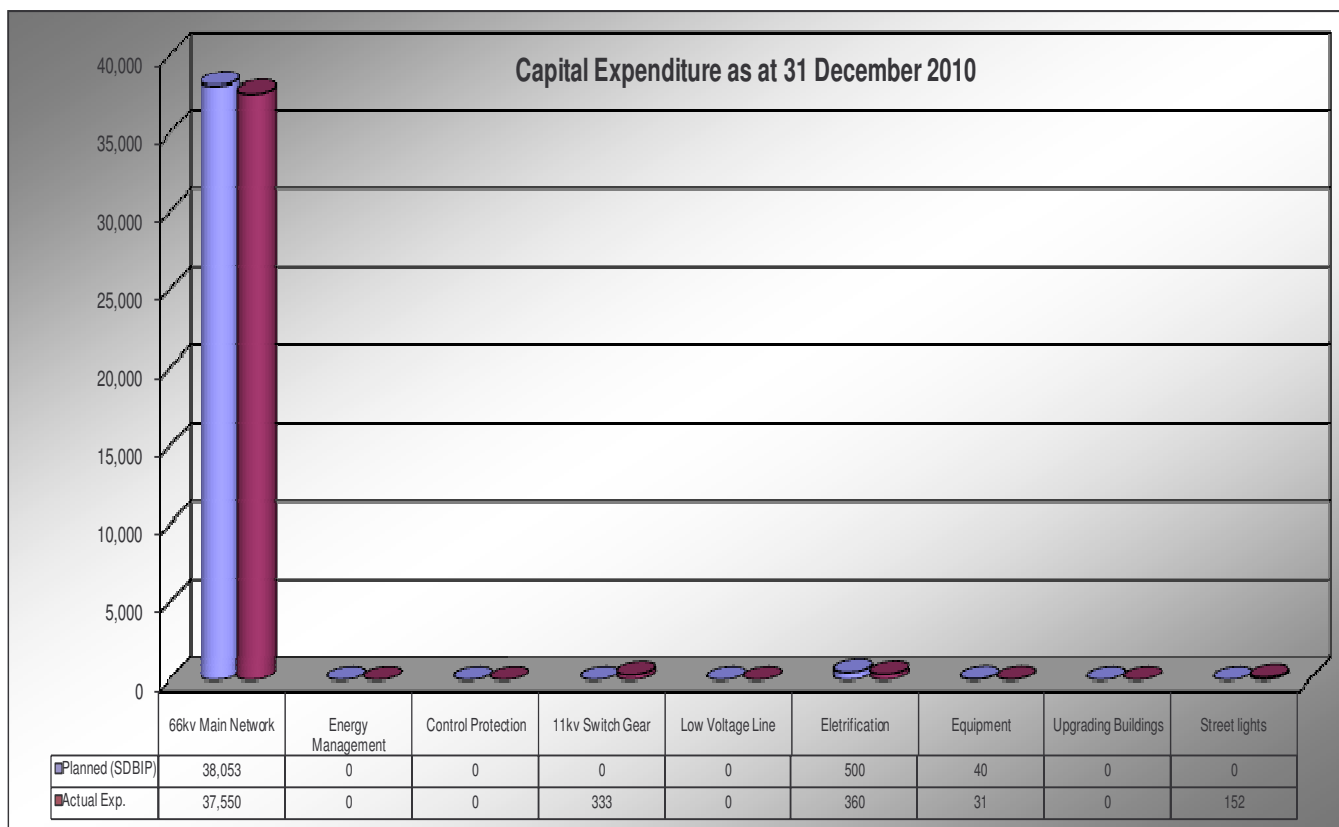
The above figures are explained in more detail throughout this report.

Capital Expenditure

The following table shows the actual capital expenditure for each Department against that planned in the SDBIP at 31 December 2010.

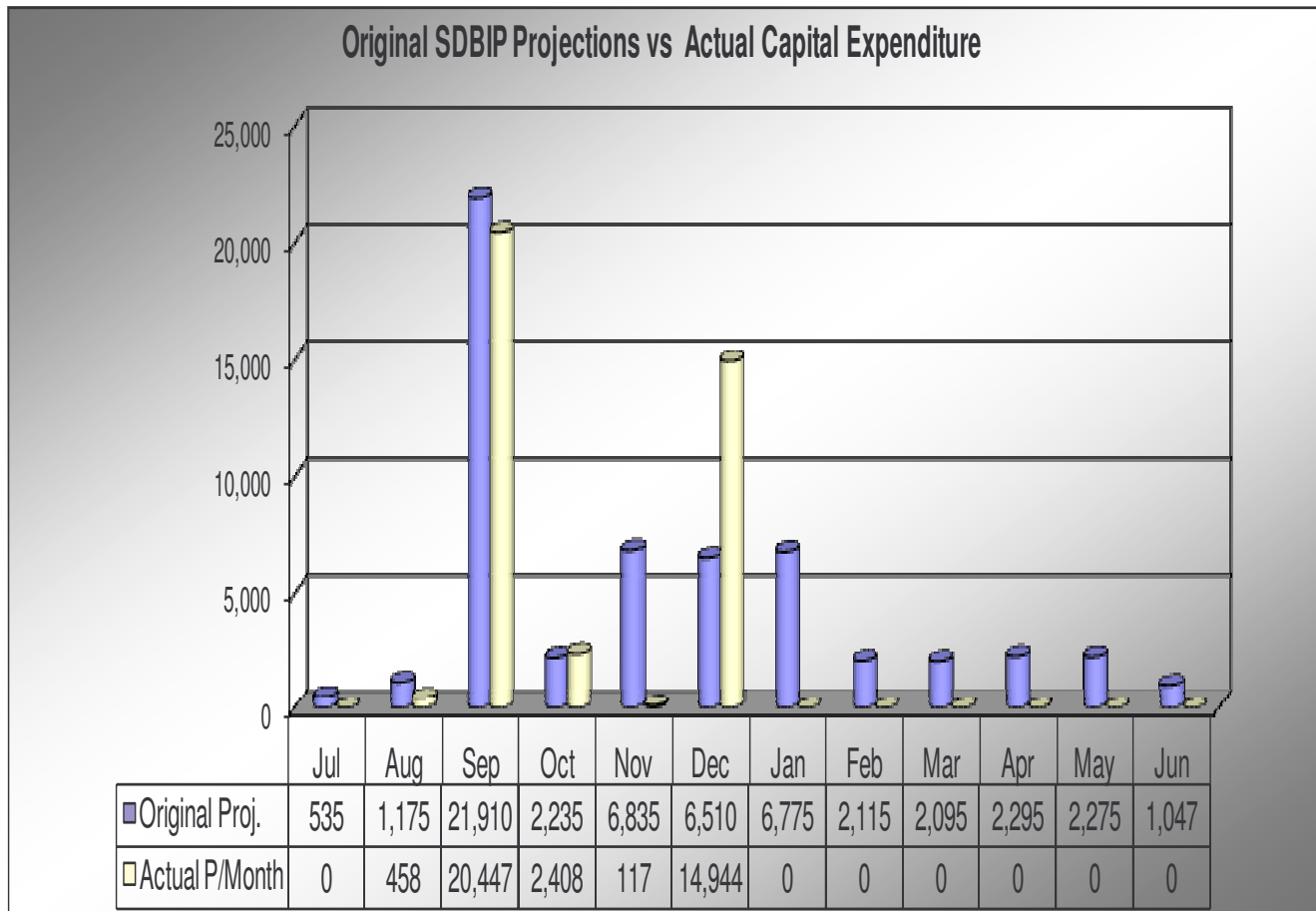
	Approved Budget	Open on Samras	Planned (SDBIP)	Actual Exp.	Variance	Variance %
66kv Main Network	43,500	43,000	38,053	37,550	-503	-1%
Energy Management	4,500	200	0	0	0	0%
Control Protection	400	0	0	0	0	0%
11kv Switch Gear	500	500	0	333	333	0%
Low Voltage Line	1,300	1,300	0	0	0	0%
Eletrification	4,700	3,200	500	360	-140	-28%
Equipment	290	35	40	31	-9	0%
Upgrading Buildings	100	0	0	0	0	0%
Street lights	512	262	0	152	152	0%
Total	55,802	48,497	38,593	38,426	-167	0%

The above table shows that there was an under spending of R 167 000 against the planned expenditure of R 38 593 000. This is shown in the following graph by major Capital Scheme.



Draft Mid -year Budget and Performance Assessment -2010/2011

The following graph compares the Original Capital Expenditure projections of the 2010/11 SDBIP against the Actual Capital Expenditure per month for the Electrotechnical Directorate



The following 2 pages show the current position on each capital scheme in the budget. Managers have been asked to provide explanations and corrective measures for each project with a variance greater than 10% or R10 000 as agreed in the SDBIP.

Draft Mid -year Budget and Performance Assessment -2010/2011

Electrotechnical Services

Capital Budget 2010 - 2011

December 2010

	Project Code	Approved Budget	Budget available on Samras	Start Date	Completion Date	Dec 2010 planned (SOBIP)	Dec 2010 actual	Planned Spent to Date (SOBIP)	Actual to Date	Spent to Date variance	Spent to Date % variance	Projections Revised	Explanation
	EXPANSION OF 66KV MAIN NETWORK:	43,500,000	43,000,000			14,785,732	14,324,441	38,053,293	37,549,814	-503,479	-1%		
48908	SCHAAPKOP 132/66KV SUBSTATION - PHASE 2	ED01	20,000,000	20,000,000	Jul 10	May 11	14,785,732	14,174,645	18,053,293	17,400,018	(653,275)	-4%	The transformer was delivered in October. Currently busy with the inspection and installation of the protection system
52440	ESKOM EXTENTION COSTS	ED01	20,000,000	20,000,000	July 10	Jul 11	0	0	20,000,000	20,000,000	-	0%	Budget spent
52441	EXPANSION OF MAIN RE MASTER PLAN	ED01	500,000	0	April 10	June 11	0	0	0	0	-	No Planned Spend	No funding available
52442	HEROLDS BAY SUBSTATION: CONNECTION AND SITE PREPERATION	ED01	3,000,000	3,000,000	Aug 10	March 11	0	149,795	0	149,795	149,795	No Planned Spend	Funding only available in December
	ENERGY MANAGEMENT:		4,500,000	200,000			0	0	0	0	-	No Planned Spend	
52443	ENERGY MANAGEMENT	ED02	4,000,000	0	Jul 10	June 11	0	0	0	0	-	No Planned Spend	Project is ongoing . The material have arrived. Still waiting for transfer of grant funding.
5092	LOAD CONTROL AND POWER FACTOR	ED02	200,000	200,000	Jan 11	April 11	0	0	0	0	-	No Planned Spend	Tender has been awarded. Order for equipment to be placed
52444	RENEWABLE ENERGY	ED02	300,000	0	March 11	May 11	0	0	0	0	-	No Planned Spend	No funding available
	CONTROL PROTECTION AND COMMUNICATION:		400,000	0			0	0	0	0	0	No Planned Spend	
52445	CONTROL CENTRUM : 11 KV SAFETY	ED03	200,000	0	Aug 10	May 11	0	0	0	0	-	No Planned Spend	No funding available
52446	PROTECTION SYSTEM	ED03	200,000	0	July 10	May 11	0	0	0	0	-	No Planned Spend	No funding available
	REPLACEMENT OF OBSOLETE 11KV SWITCHGEAR & EQUIPMENT		500,000	500,000			0	333,001	0	333,001	333,001	No Planned Spend	
52447	REPLACE OBSOLETE AND OVERLOADED 11KV SWITCHGEAR	ED06	500,000	500,000	Jan 11	April 11	0	333,001	0	333,001	333,001	No Planned Spend	Funding only available in December. Order for switchgear equipment has been placed but the delivery time is between 5-6 months.
	UPGRADING OF OBSOLETE LOW VOLTAGE NETWORK CABLES:		1,300,000	1,300,000			0	0	0	0	0	No Planned Spend	
52448	L/T LINES-GEORGE	ED07	1,000,000	1,000,000	Sept 10	May 11	0	0	0	0	-	No Planned Spend	Funding only available in December. Contractors have been appointed.
4230	L/T LINES-PACALTSDORP	ED07	200,000	200,000	Aug 10	Oct 10	0	0	0	0	-	No Planned Spend	Funding only available in December. Contractors have been appointed.
52449	L/T LINES-WILDERNIS	ED07	100,000	100,000	Sept 10	April 11	0	0	0	0	-	No Planned Spend	Funding only available in December. Contractors have been appointed.

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December 2010

[illegible]

% of Annual Budget Spent

% Spent of Budget available on Samras

Operating Income

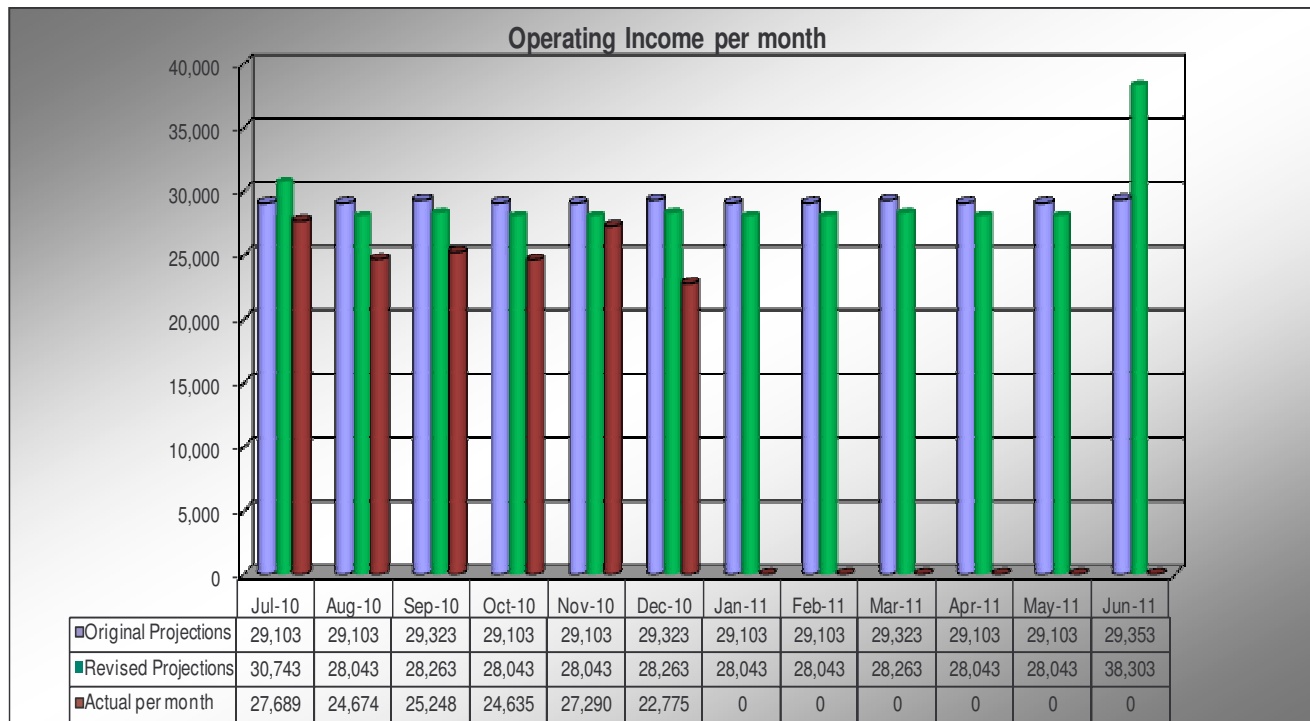
The following table shows the actual billed operating income per Department against that planned in the SDBIP at 31 December 2010.

It should be noted that the figures relate to billed income and not cash collected.

<u>INCOME</u>	REVISED BUDGET	PLANNED INCOME TO DATE (SDBIP)	ACTUAL INCOME TO DATE	VARIANCE	% VARIANCE
ELECTRICITY : ADMINISTRATION	(10,000)	-	-	-	No Planned Income
ELECTRICITY : DISTRIBUTION	(350,130,000)	(171,400,000)	(152,245,700)	19,154,300	-11%
WORKSHOP-STORES	-	-	-	-	No Planned Income
FLEET MANAGEMENT	-	-	(66,432)	(66,432)	No Planned Income
	(350,140,000)	(171,400,000)	(152,312,133)	19,087,867	-11%
% of Annual Budget Billed			43.50%		

The above table shows that there was an under achievement of income of R 19 087 867 against the planned income of R 171 400 000.

The following graph compares the planned against the actual income per month



Operating Expenditure

The following table shows the actual operating expenditure for each Department against that planned in the SDBIP at 31 December 2010

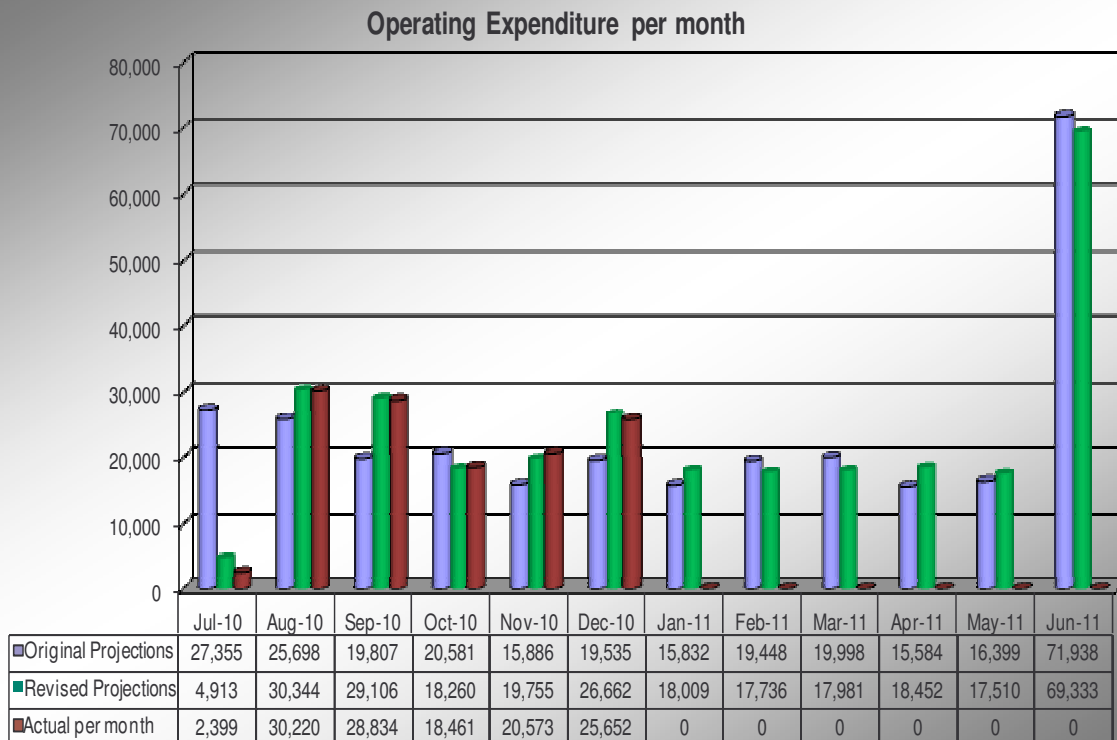
<u>EXPENDITURE</u>	REVISED BUDGET	PLANNED EXP. TO DATE (SDBIP)	ACTUAL EXP. TO DATE	VARIANCE	% VARIANCE
ELECTRICITY : ADMINISTRATION	7,691,298	3,911,609	3,771,318	(140,291)	-4%
ELECTRICITY : DISTRIBUTION	264,981,456	122,087,770	119,547,735	(2,540,034)	-2%
WORKSHOP-STORES	1,092,393	540,592	545,929	5,338	1%
FLEET MANAGEMENT	7,926,049	2,499,951	2,274,292	(225,659)	-9%
	281,691,196	129,039,921	126,139,274	(2,900,647)	-2%

% of Annual Budget Spent

44.78%

The above table shows that there was over spending of R 2 900 647 against the planned expenditure of R 129 039 921.

The following graph compares the planned against the actual operating expenditure per month



Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality (Department: Electro Technical Services)										
Municipal Key Performance Area	IDP Goal/Obj ective	Key Performance Indicator	Base Line	2010/11	Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
					Q1	Q2	Q3	Q4		
KPA 5: <i>Electricity</i> KPA 6: <i>Street lightning</i> KPA 7: <i>Traffic Lights</i>	Effective management of the	% of planned capital budget spending	90%	90%	80 - 100%	80 - 100%	80 - 100%	80 - 100%	88.50%	99.70%
		Total losses	<10%	<10%	<10%	<10%	<10%	<10%	10.70%	9.30%
		Electricity master plan updated and aligned with budget & IDP	100%	95%	80%	85%	90%	95%	80%	85%
		3 Year capital budget aligned with master plans and IDP to address immediate needs	100%	95%	80%	85%	90%	95%	80%	85%
		KPA – Interventions to address the skills shortage to enable compliance with approved employment equity plan	70%	70%	70%	70%	70%	70%	74%	74%
		Staff complement	70%	70%	70%	70%	70%	70%	80%	80%
			150	150	150	150	150	150	154	154
		Quality of Supply	90%	90%	90%	90%	90%	90%	90%	90%
		Affordable, effective and efficient administration	90%	90%	90%	90%	90%	90%	90%	90%

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Objectives, Goals, KPI's and Targets of the Municipality (Department: Electro Technical Services)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line	2010/11	Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
					Q1	Q2	Q3	Q4		
	To distribute electricity to all residents in George	KPA – Percentage of households in formal areas with access to basic level of electricity. (subject to availability of funds)	100%	100%	100%	100%	100%	100%	100%	100%
		Quality of service	90%	90%	90%	90%	90%	90%	90%	90%
		Quality of supply	90%	90%	90%	90%	90%	90%	90%	90%
	Electrification of all households in George	Percentage of new informal areas supplied with electricity as planned (subject to availability of funds)	100%	95%	80%	90%	90%	95%	80%	100%
		Preventative maintenance programmes in place and active	80%	70%	70%	70%	70%	70%	70%	70%
		Number of fatal workplace incidents	0	0	0	0	0	0	0	0
		Fleet Management system to manage & replace units economically	90%	90%	90%	90%	90%	90%	90%	90%

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality (Generic KPA's for all Departments)										
Municipal Key Performance	IDP Goal/Objective	Key Performance Indicator	Base Line	Quarterly Targets					Actual 1st	Actual 2nd
				2010/11	Q1	Q2	Q3	Q4		
<i>KPA 29: Occupational Health and Safety</i>	To provide a safe and healthy work environment to all employees	Attendance of monthly Departmental SHE meeting	12	12	3	3	3	3	3	1
		Attendance of quarterly Central SHE meeting	4	4	1	1	1	1	1	1
<i>KPA 28: Training and capacity building</i>	To facilitate training and development of employees and councillors	Number of Departmental employees send on <u>external</u> training	5	7	1	3	2	1	10	0
		Number of Departmental employees send on <u>internal</u> training	10	15	3	4	4	4	3	12
<i>KPA 20: Financial viability and management</i>	Effective management of the Department	% of Capital Budget Spend	98%	98%	25%	50%	75%	98%	37%	69%
		% of Operational Budget Spend	98%	98%	25%	50%	75%	98%	22%	45%
	To comply and implement the supply chain management regulations	Number of procurement deviations	0	0	0	0	0	0	0	0 (all requests approved in terms of supply chain policy by supply chain manager)
<i>KPA 33: Administrative support</i>	Effective management of the Department	% of council decisions applicable to department implemented	98%	98%	98%	98%	98%	98%	98%	98%

Annexure 3.5:

M E M O R A N D U M



POSBUS/PO BOX 19 GEORGE 6530
E-POS/E-MAIL: moyleen@george.org.za; TEL: (044) 801 9385 FAKS/FAX: (044) 801 086 445 6175

DIREKTORAAT: BEPLANNING EN BEHUISING
DIRECTORATE: PLANNING AND HOUSING

AAN: TO:	Director: Financial Services Attention: P Gelderbloem
VAN: FROM:	Director: Planning and Housing
NAVRAE: ENQUIRY	C P Lubbe
TEL: TEL:	X9474
DATUM: DATE:	17 January 2010
INSAKE: REGARDING:	SECTION 72 REPORT: MID YEAR BUDGET AND PERFORMANCE ASSESSMENT

1. **ERF 1263, BLANCO (SERVICES)**

See attached Council resolution. Property must be serviced as part of the practical solution.

2. **TOUWSRANTEN FENCE**

See PGWC approval - Funds from SOA.

3. **FURNITURE AND FITTINGS**

Theft - Insurance paid R15000 (computers and cameras must be replaced).

4. **FLOOD FUNDS: (0220 / 1566)**

Due to limited funding all work could not be done at the same time. The Department commenced with the 65 wooden houses in Thembaletu, whilst work on the 19 homes in Blanco will only start now. The amount of R900 000 will not be spent in this financial year, but only in 2011/12.

5. **HOUSING REVENUE (0220 / 3858)**

The income has decreased tremendously, and an adjustment is essential.

6. PROVISION OF SERVICES

Province gazetted an additional R5 million in favour of George. It must be used for the services of Erf 325.

7. UISP

Approval from Province is attached. Because it is in respect of the planning of services as well as internal services it must be placed on the Capital Budget at the Engineering Department and not on Housing's Operating budget.

8. LAWAAIKAMP TOILETS

This application to move toilets are in respect of 160 homes. Province has only approved assistance to disabled users and elderly owners. Only R 200 000 will be spent by 30 June 2011.

9. ERF 700 HOEKWIL: REMOVAL OF SLAB

Approval has been received from Province to use R2500 from the SOA for this purpose.

10. SUPPLY OF ELECTRICITY: ERF 325

Approval has been received that R1, 25 million could be used from the SOA as bridging finance for the electrification of Erf 325.
This is a capital project at the Electricity Department and they must indicate whether funds will be utilised.

11. EHP APPROVED (14 HOUSES)

Approval for the abovementioned was obtained during this current financial year as we could not budget for this previously (we only place items on the budget for which we have obtained approval from PGWC). There are currently still more than 40 individual cases at Province for which we still await approval.

12 – 23 HALLS AND CRÈCHES

It appears that funding for the crèches and one of the halls will not be made available during the 2010/11 financial year due to budgetary constraints.



S B ERASMUS
DIRECTOR: PLANNING AND HOUSING

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MUNISIPALITEIT



GEORGE

MUNICIPALITY

AGENDA EXECUTIVE MAYOR-IN-COMMITTEE MEETING 02 DECEMBER 2010
MINUTES EXECUTIVE MAYOR-IN-COMMITTEE MEETING 12 NOVEMBER 2010

RESOLVED TO RECOMMEND TO COUNCIL

(a) that the following decision taken on 07 March 2007 under item 5.6.7 be rescinded: [BB]

“(b) that the erven be made available to the George Housing Association for housing development for the amount of R39 111,00 subject to the following conditions:

(i) that the M.E.C. approve the transaction;

(ii) that the GHA accepts responsibility for any restitutional claims with regard to the property;

(iii) that a reversionary clause be built into the contract, namely that should the GHA fail to develop the erven within two years, it reverts back to Council.”

(b) that an erf in the so-called Bufferzone be allocated to Mr Wolmarans as a straight swap for Erf 1263 Blanco; [BB]

(c) that this matter be referred to the Adjustment Budget to enable Council to make provision on the budget for the expenditure to survey this erf and provide services for it; [BB]

(d) that once the Immovable Property Management Policy has been approved, a further report on the so-called Bufferzone land be submitted to Council. [BB]

6.2.5.2 IMPROVING THE UNITS PROVIDED AS EMERGENCY KITS: (17/5/1) MA DE BEER/agvw [7.3]

Discussion

Die Waarnemende Munisipale Bestuurder rig 'n versoek aan die administrasie om nie aanbevelings te oorweeg wat onwettig en nie finansiële haalbaar is nie. Hy noem dat daar slegs beperkte fondse is en dat die aanbeveling 'n oorskryding van sodanige fondse impliseer.

RESOLVED

that the abovementioned matter be referred back to the Department: Planning and Housing with a view to drafting a policy that is in line with available funding. [BB]

MUNICIPALITEIT	GEORGE	MUNICIPALITY
AGENDA EXECUTIVE MAYOR-IN-COMMITTEE MEETING 02 DECEMBER 2010 MINUTES EXECUTIVE MAYOR-IN-COMMITTEE MEETING 12 NOVEMBER 2010		
6.2.4 <u>MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 19 OCTOBER 2010</u>		
None		
At this stage, the time being 09:49, the Speaker and Alderman Williams joined the meeting.		
6.2.5 <u>MINUTES OF THE HOUSING AND LAND AFFAIRS COMMITTEE MEETING HELD ON 21 OCTOBER 2010</u>		
6.2.5.1 <u>DEVELOPMENT OF THE "BLANCO BUFFER ZONE": (15/3/10) MA DE BEER/agvw [7.1]</u>		
<u>PURPOSE</u>		
To obtain a decision pertaining to the possible development of the so-called "Blanco Buffer zone" and to make an erf available to Mr N Wolmarans.		
<u>BACKGROUND</u>		
Under item 5.6.7 on 07 March 2007 the Mayor-in-Committee resolved as follows:		
<p>" (a) that all previous resolutions/decisions with regard to the selling of the erven be rescinded;</p> <p>(b) that the erven be made available to the George Housing Association for housing development for the amount of R39 111 , 00 subject to the following conditions:</p> <p>(i) that the M. E. C. approve the transaction ;</p> <p>(ii) that the GHA accepts responsibility for any restitutional claims with regard to the property ;</p> <p>(iii) that a reversionary clause be brought into the contract , namely that should the GHA fail to develop the erven within two years , it reverts back to Council."</p>		
An enquiry regarding the erven in the Blanco Buffer zone has now been received from Mr N Wolmarans.		
Mr N Wolmarans signed a self build contract in respect of Erf 1263 Blanco during 1993.		

MUNISIPALITEIT



MUNICIPALITY

**AGENDA EXECUTIVE MAYOR-IN-COMMITTEE MEETING 02 DECEMBER 2010
MINUTES EXECUTIVE MAYOR-IN-COMMITTEE MEETING 12 NOVEMBER 2010**

George Municipality has now indicated that his building plan for Erf 1263 cannot be approved as a main sewerage line runs over the property. The problem is compounded by the presence of storm water systems. Erf 1263, Blanco does not form part of the Blanco Buffer zone. It is evident from the aforementioned that the subject erf should never have been allocated to Mr Wolmarans.

As there are very few vacant erven available in Blanco, Mr Wolmarans has indicated his interest in acquiring an erf in the Buffer zone in Blanco, should it not be possible for him to proceed with building on Erf 1263 Blanco. It should however be noted that Council's new policy on the sale of land has not yet been finalised.

The transfer of this land (Buffer zone) and the other portions of land to the George Housing Association has not yet taken place, it was decided that this matter be referred to Council for further consideration.

In view of the fact that there has not been any progress to date with the development of the land at the Buffer zone, Council should consider calling for development proposals or utilise the land for GAP Housing. This decision can be held in abeyance until the Immovable Property Policy has been finalised, but Mr Wolmarans' problem must be attended to urgently and cannot be put on hold.

COMMENTS: DEPUTY DIRECTOR: HOUSING

The land belonging to Council in the so-called bufferzone has not been surveyed and is without services. To survey the erven (±21 Erven) will cost in the region of R30, 000.00 and services must also be provided. At this stage no provision has been made on the current budget. Depending on Council's decision on the different options, funding required will differ substantially.

A decision must be taken whether the erf can be made available through a straight swap of properties or whether Mr Wolmarans must buy it from Council. He has signed a selfbuild contract in 1993 for erf 1263, and has received the erf as part of a selfbuild project. The sewerage and stormwater drainage line is the major cause of his problems.

According to the Engineering Department the cost can be estimated at R500 000.00 if the sewerage and stormwater lines must be moved. It therefore seems that it would be in Council's best interest to rather swap erven with him.

The surveying and provision of services to this erf should therefore be taken to the Adjustment Budget in order for Council to avail the erf to Mr Wolmarans.

MUNICIPALITY



MUNICIPALITY

AGENDA EXECUTIVE MAYOR-IN-COMMITTEE MEETING 02 DECEMBER 2010
MINUTES EXECUTIVE MAYOR-IN-COMMITTEE MEETING 12 NOVEMBER 2010

COMMENTS: TOWN PLANNING

The vacant erven that belong to Council are included in Precinct J, demarcated in the Draft Blanco Spatial Development Plan May, 2009. The proposal for this precinct is mixed residential areas (higher density).

This development proposal is consistent with planning principles for major transport and bus routes.

Consolidation and rezoning as well as possible resubdivision of the relevant erven will be required in order to facilitate in the Spatial Plan proposals.

See copies plan 4.1: Blanco Precincts and Table E: Blanco Precincts Development Parameters, attached hereto.

COMMENTS: LEGAL ADVISOR

If approved by Council the development proposals for the council erven in the buffer zone can be called or the individual erven can be sold by means of a public auction. As Erf 1263 cannot be developed by Mr Wolmarans due to reasons beyond his control, Erf 1263 should be exchanged for an erf in the buffer zone.

COMMENTS: CHIEF: FINANCE

No comments received.

OPSOMMING

Daar word tans oorweging geskenk om ontwikkelingsvoorstelle vir die Blanco Bufferstrook aan te vra, maar sal dit eers aandag geniet na die Raad die beleid ten opsigte van die vervreemding van eiendom goedgekeur het.

Intussen sit Mnr Wolmarans, die eienaar van Erf 1263 Blanco (’n goedgekeurde selfbouer van 10 tot 15 jaar gelede) met ’n reuse probleem omdat die Raad se hoofrol oor die erf loop en sy aansoek om op die erf te bou dus afgekeur is. Mnr Wolmarans is nie verantwoordelik vir die situasie nie en het ’n erf in die Bufferstrook aangevra in ruil vir sy eiendom.

Die erwe in die Bufferstrook moet nog opgemaak en van dienste voorsien word, gevolglik moet hierdie aangeleentheid ook na die Aanpassingsbegroting verwys word.

Draft Mid -year Budget and Performance Assessment -2010/2011



HUMAN SETTLEMENTS

Provincial Government of the Western Cape

Provincial Minister B. Madikizela

elc@wecape.gov.za
tel: +27 21 483 4455; +27 21 483 3888
27 Wale Street, Cape Town, 8001
www.cape.gov.za

ENQUIRIES: Barbara Stevens

The Municipal Manager
George Municipality
PO Box 19
GEORGE
6530

Attention: Cyprien Duthie

GEORGE MUNICIPALITY: APPLICATION FOR MINISTERIAL APPROVAL FOR ADDITIONAL FUNDS TO BE UTILISED FROM THE SEPARATE OPERATING ACCOUNT TO ERECT A FENCE AT THE WILDERNESS- TOUWSRANTEN HOUSING PROJECT

Your correspondence in the above-mentioned regard refers.

Approval has been granted for the George Municipality to utilise funds in the amount of R900 000, 00 (R500 000, 00 previously approved + R400 000, 00 this approval) from their Separate Operating Account to erect a high quality security fence at the Touwsranten Housing Project.

The following conditions will apply:

All previously approved conditions related to this approval to remain unchanged and in effect.

Yours sincerely

MR B MADIKIZELA
PROVINCIAL MINISTER FOR HUMAN SETTLEMENTS: WESTERN CAPE
DATE: 26/10/2010

Planning & Housing

Summary of 2010/11 budget progress

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

	Capital Expenditure R'000	Operating Income R'000	Operating Expenditure R'000
Planning & Housing			
Annual Budget	17,850	99,765	120,073
Budget Available on Samras	7,605	99,765	120,073
Plan to Date (SDBIP)	2,312	2,796	39,850
Actual	3,733	3,675	38,647
Variance to SDBIP	1,421	879	-1,204
% Variance to SDBIP	61%	31%	-3%
% of annual budget	49.1%	3.7%	32.2%

Capital Expenditure

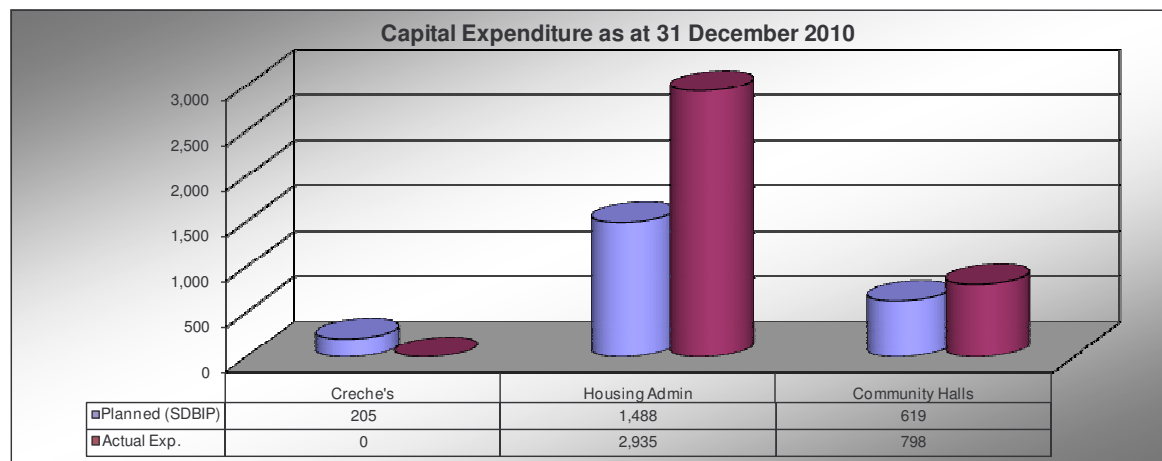
The following table shows the actual capital expenditure for each Department against that planned in the SDBIP at 31 December 2010.

Directorate	Open on SAMRAS R'000	Planned (SDBIP) R'000	Actual R'000	Variance R'000	Variance (%)
Creche's	500	205	0	-205	-100%
Housing Admin	5,805	1,488	2,935	1,447	97%
Community Halls	1,300	619	798	179	29%
Total	7,605	2,312	3,733	1,421	61%

A -1% variance on the capital expenditure would have been achieved if we projected on Council funds only and not subsidies.

Thus, **49.08%** of the budget available on SAMRAS has been spent.

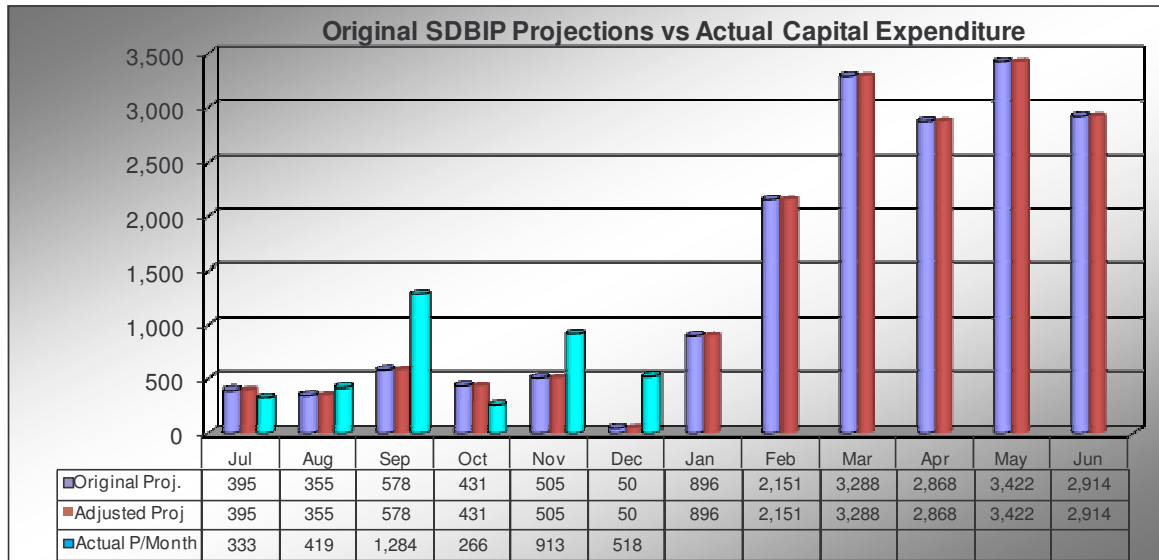
This is shown in the following graph by capital scheme.



Annexure 2 shows the current position on each capital scheme in the budget. Managers have been asked to provide explanations and corrective measures for each project with a variance greater than 10% or R10 000 as agreed in the SDBIP.

Draft Mid -year Budget and Performance Assessment -2010/2011

The following graphs compare the original Capital expenditure projections of the 2010/11 SDBIP with the Actual Capital Expenditure per month for the Planning and Housing Directorate.



Draft Mid -year Budget and Performance Assessment -2010/2011

Planning & Housing												
Capital Budget 2010 - 2011												
December 2010												
	R'000											
	Budget		Start Date	Completion Date	Dec 2010 planned (SDBIP)	Dec 2010 actual	Planned Spent to Date (SDBIP)	Actual Spent to Date	Spent to Date variance	Spent to Date % variance	Projections Revised	Explanation
	Approved Budget	available on Samras										
CRECHE'S	3,440,000	500,000			50,000	0	205,000	0	-205,000	-100%		
THEMBALETHU: REPLACEMENT OF ZAMAZAMA CRECHE	500,000	500,000	Aug 10	June 11	-	0	35,000	0	(35,000)	-100%		Busy with planning services
PARKDENE CRECHE	2,200,000	0	Sept 10	June 11	-	0	10,000	0	(10,000)	-100%		Funding not yet available. Projections must be adjusted
PALISSADE FENCE: PARKDENE CRECHE	210,000	0	Oct 10	Mar 11	-	0	-	0	-	No Planned Spend		Funding not yet available.
PAVING: PARKDENE CRECHE	50,000	0	May 11	June 11	-	0	-	0	-	No Planned Spend		Funding not yet available.
BURGLAR BARS: PARKDENE CRECHE	80,000	0	May 11	June 11	-	0	-	0	-	No Planned Spend		Funding not yet available.
KLEINKRANTZ CRECHE, ERF 1480	400,000	0	Oct 10	Mar 11	50,000	0	160,000	0	(160,000)	-100%		Funding not yet available. Appeal submitted to Province. Item has gone to committee. Council approved 5 year deviation, but neighbour not satisfied.Projections must be adjusted.
HOUSING - ADMIN	7,350,000	5,805,000			0	388,876	1,487,500	2,934,506	1,447,006	97%		
FURNITURE AND FITTINGS	50,000	25,000	June 11	June 11	-	3,653	-	6,545	6,545	No Planned Spend		Cameras
FENCE TOUWSRANTEN	900,000	0	May 11	June 11	-	0	-	0	-	No Planned Spend		
TRANSIT CAMP (DEURGANGSKAMP): SYFERFONTEIN	400,000	0	Sept 10	June 11	-	0	-	0	-	No Planned Spend		
UPGRADING OF INFORMAL HOUSING AREAS : TOILETS	3,000,000	2,780,000	July 10	June 11	-	222,284	1,472,500	2,765,022	1,292,522	88%		Project ongoing. Nearly completed. Various areas in Thembalethu. Project to be completed end of January 2011
UPGRADING OF INFORMAL HOUSING AREAS	3,000,000	3,000,000	July 10	Nov 11	-	162,940	15,000	162,940	147,940	986%		12 sheds purchased for transit camp. Purchase paid through incorrect vote
COMMUNITY HALLS	7,060,000	1,300,000			0	128,840	619,000	798,008	179,008	29%		
THEMBALETHU COMMUNITY HALL	2,900,000	0			0	0	13,000	0	(13,000)	-100%		
BURGLAR BARS - THEMBALETHU HALL	120,000	0	May 11	June 11	-	0	-	0	-	No Planned Spend		Funding not yet available. Projections must be adjusted
PALLISADE FENCING - KLEINKRANTZ HALL	210,000	0	Oct 10	Mar 11	-	0	-	0	-	No Planned Spend		Funding not yet available. Projections must be adjusted
PAVING - THEMBALETHU HALL	370,000	0	May 11	June 11	-	0	-	0	-	No Planned Spend		Funding not yet available. Projections must be adjusted
COMMUNITY HALL - THEMBALETHU	2,200,000	0	Sept 10	June 11	-	0	13,000	0	(13,000)	-100%		Funding not yet available. Projections must be adjusted
PARKDENE COMMUNITY HALL	1,300,000	1,300,000			0	128,840	593,000	798,008	205,008	35%		
COMMUNITY CENTRES - PARKDENE, ERF 11424	940,000	940,000	July 10	Apr 11	-	128,840	593,000	789,840	196,840	33%		Project finalised
PARKDENE HALL - PAVING	140,000	140,000			-	0	-	0	-	No Planned Spend		EPWP Project
PARKDENE HALL - PALISSADE	120,000	120,000			-	0	-	4,270	4,270	No Planned Spend		Contractor appointed. Quotation awarded
PARKDENE HALL - BURGLAR BARS	100,000	100,000			-	0	-	3,898	3,898	No Planned Spend		Contractor appointed. Quotation awarded
KLEINKRANTZ COMMUNITY HALL	2,860,000	0			0	0	13,000	0	-13,000	-100%		
COMMUNITY CENTRES - KLEINKRANTZ, ERF 1480	2,200,000	0	Sept 10	June 11	-	0	13,000	0	(13,000)	-100%		Funding not yet available. Projections must be adjusted
PALLISADE FENCE : KLEINKRANTZ HALL	210,000	0	Oct 10	Mar 11	-	0	-	0	-	No Planned Spend		Funding not yet available. Projections must be adjusted
PAVING : KLEINKRANTZ HALL	330,000	0	May 11	June 11	-	0	-	0	-	No Planned Spend		Funding not yet available. Projections must be adjusted
BURGLAR BARS : KLEINKRANTZ HALL	120,000	0	May 11	June 11	-	0	-	0	-	No Planned Spend		Funding not yet available. Projections must be adjusted
	17,850,000	7,605,000			50,000	517,716	2,311,500	3,732,514	1,421,014	61%		
% of Annual Budget Spent								49,08%				

Operating Income

The following table shows the actual operating income per Department against that planned in the SDBIP at 31 December 2010.

It should be noted that the figures relate to billed income and not cash collected.

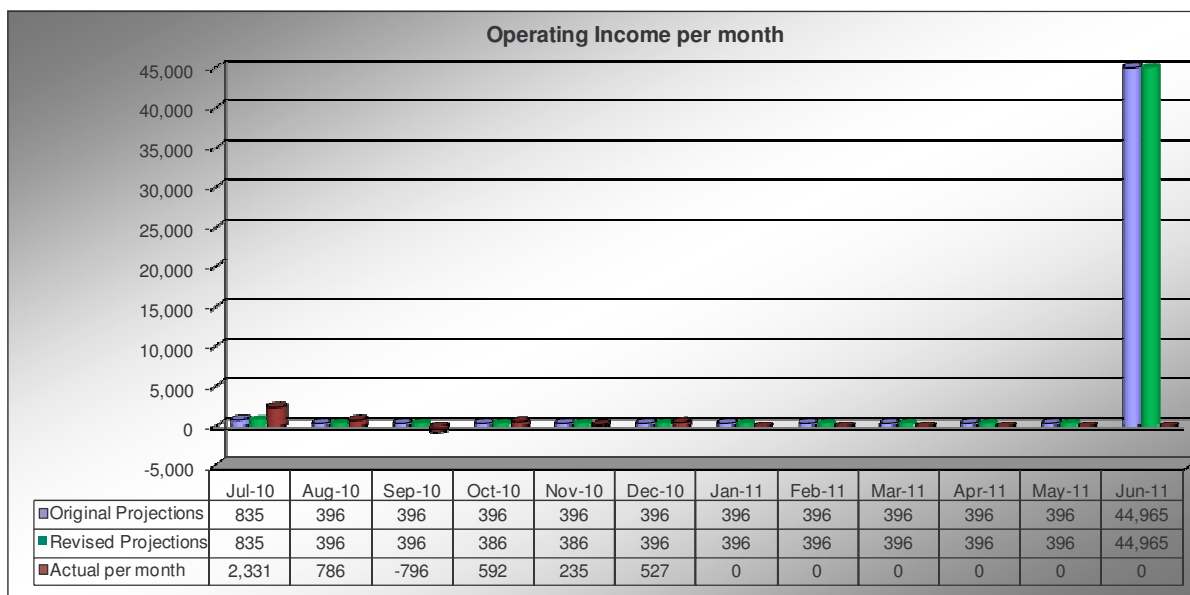
<u>INCOME</u>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED INCOME TO DATE (SDBIP)	ACTUAL INCOME TO DATE	VARIANCE	% VARIANCE
HOUSING ADMINISTRATION	(44,309,000)	(94,309,000)	(43,336)	(29,552)	13,784	-32%
PLANNING	(4,816,000)	(4,816,000)	(2,245,490)	(2,969,152)	(723,662)	32%
DIRECTOR: PLANNING & HOUSING	-	-	-	-	-	No Planned Income
PROPERTIES	(640,000)	(640,000)	(506,815)	(676,047)	(169,232)	33%
	(49,765,000)	(99,765,000)	(2,795,641)	(3,674,752)	(879,111)	31%
% of Annual Budget Billed				3.68%		

The above table shows that there is currently a over-achievement of income of 31% or R 879,111 against the planned income of R 2,795,641.

- Over achievement of income at the Planning department is due to fines & building plan fees amounting to more than planned.
- A ministerial approval of R50mil has been received as bridging finance from the Separate Operating Account.

3.68 % of the budgeted income has been received up and till the end of December 2010.

The graph below shows the operating income per month, compared to the actual income received.



Draft Mid -year Budget and Performance Assessment -2010/2011

VERKOOP VAN ERWE 2010/2011

Kwitansie	Datum	Kopers	Erf Detail	Verkoopprys
229950	14/07/2010	ROUX PROK : FRANK MENEZES PROP	Erf 22493	R 1,354,386.87
447825	29/10/2010	ROUX PROKUREURS VIR ARENGO	Erwe 1693(X1821)TYOLORA	R 3,473,684.20
447825	04/11/2010	JNL 4 - OORPLASING VAN BTW	Erwe 1693(X1821)TYOLORA	R -73,684.20
234904	13/12/2010	ROUX PROK: D & C LE ROUX	Erf 13984 Le Vallia	R 165,491.77
			Totaal	R 4,919,878.64

Grants/subsidies received for Housing projects during December 2010.

GRANTS RECEIVED				
DATE	RECEIPT	AMOUNT	DESCRIPTION	
13/08/2010	7075331	R 198,610.20	Noodbehuising: 13 Beskadigde wonings (Finale betaling t.o.v. R397 220.46 eis)	
16/08/2010	7077682	R 5,000,000.00	Erf 325	
08/09/2010	7081689	R 398,000.00	Emergency Kits	
15/09/2010	7086212	R 700,000.00	Emergy Housing Programme: 20% van R3.5miljoen - Toilette	
03/11/2010	7096847	R 6,463,480.45	Erf 325	
12/11/2010	7099942	R 3,000,000.00	Flood damage: 94 houses	
18/11/2010	7102224	R 1,750,000.00	R3.5 mil toilets	
02/12/2010	7104289	R 785,368.34	Thembalathu UISP (Asazani)	
21/12/2010	7110873	R 5,289,567.33	Touwsranten	
21/12/2010	7110874	R 8,620,857.00	Erf 325	
		R 32,205,883.32		

Operating Expenditure

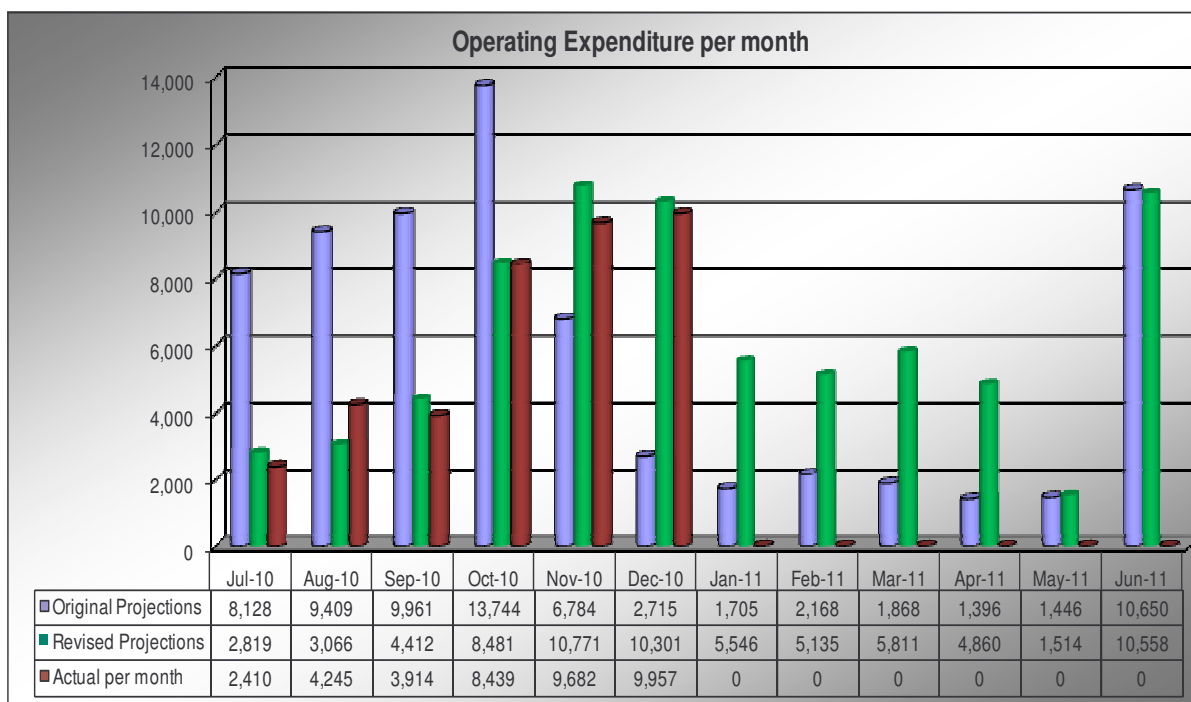
The following table shows the actual operating expenditure for each Department against that planned in the SDBIP at 31 December 2010.

<u>EXPENDITURE</u>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED EXP. TO DATE (SDBIP)	ACTUAL EXP. TO DATE	VARIANCE	% VARIANCE
HOUSING ADMINISTRATION	53,008,155	103,026,155	32,136,152	31,603,962	(532,190)	-2%
PLANNING	10,175,618	10,185,618	4,871,000	4,266,750	(604,250)	-12%
DIRECTOR: PLANNING & HOUSING	2,211,175	2,211,175	1,038,947	957,284	(81,663)	-8%
PROPERTIES	4,650,536	4,650,536	1,804,031	1,818,518	14,488	1%
	70,045,484	120,073,484	39,850,129	38,646,514	(1,203,615)	-3%
% of Annual Budget Spent				32.19%		

The above table shows that there is currently an under expenditure of R 1,203,615 or 3% against the planned level of expenditure of R 39,850,129.

Draft Mid -year Budget and Performance Assessment -2010/2011

32,19 % of the budgeted expenditure has been spent up and till the end of December 2010.



The following expenditure has been incurred to date in respect of Housing Projects:

PROJECTS

Invul Erven	R	60,377.37
ERF 325	R	22,768,757.22
Touwsranten	R	1,017,328.99
Maraiskamp	R	12,130.03
New Dawn Park	R	6,975.00
Asazani	R	688,859.65
Housing Consumer Education	R	114,008.03
Golden Valley	R	13,803.00
Emergency Housing	R	72,145.61
Tambo Square	R	801,207.00
Flood damage	R	1,263,697.92
Borchards	R	858.00
Power Houses: Thembaletu	R	13,500.00
	R	26,833,647.82

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality									
Department: Planning and Housing									
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Annual Targets	Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
			2010/11	Quarter 1: 30- Sept 2010	Quarter 2: Dec 2010	Quarter 3: Mar 2011	Quarter 4: Jun 2011		
KPA 8: Housing	To provide for the needs of the homeless by providing safe and integrated human settlements	Number of new low cost housing units build (targets are subject to the timeous awarding of tender.)	600	150	150	150	150	0	74
EH	Number of new Crèches built	The building of Parkdene Community Creche	Completion of Parkdene Community Creche by June 2011.	Await unlocking of funding from Finance Department	Awarding of tender	Commencement of work	Completion of work	Still await unlocking of funds from Finance Department	Still await unlocking of funds from Finance Department
CP	Number of new Crèches upgraded	Upgrading of Kleinkrantz Community Creche	Completion of Kleinkrantz Community Creche by June 2011.	Await unlocking of funding from Finance Department	Awarding of tender	Commencement of work	Completion of work	Still await unlocking of funds from Finance Department	Still await unlocking of funds from Finance Department
EH	Number of new Community Halls built	Progress towards completion of Parkdene Community Hall	Completion of Parkdene Community Hall by September 2011.	Constuction work in process	Completion of work			Construction work in process	Construction work completed

Draft Mid -year Budget and Performance Assessment -2010/2011

Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Annual Targets	Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
			2010/11	Quarter 1: 30- Sept 2010	Quarter 2: Dec 2010	Quarter 3: Mar 2011	Quarter 4: Jun 2011		
<i>EH</i>		Progress towards completion of Kleinkrantz Community Hall	Completion of Kleinkrantz Community Hall by June 2011	Await funding from Finance Department (subject to receipt of loan funding)	Awarding of tender	Commencement of work	Completion of work	Still await unlocking of funds from Finance Department	Still await unlocking of funds from Finance Department
<i>EH</i>		Thembaletu Community Hall	Completion of Thembaletu Community Hall by June 2011	Await funding from Finance Department (subject to receipt of loan funding)	Awarding of tender	Commencement of work	Completion of work	Still await unlocking of funds from Finance Department	Still await unlocking of funds from Finance Department
<i>EH</i>	Quality control of housing units	Quality control on number of housing units	1800	450	450	450	450	1130	699
<i>AA</i>	Informal Settlements: Site visits	Hot spots	1680	420	420	420	420	676	615
<i>AA</i>		Routine inspections	528	132	132	132	132	239	254
<i>AA</i>		Inspection of rudimentary services	528	132	132	132	132	239	254
<i>EH</i>	Community meetings	No. of community meetings held regarding housing projects	5	1	2	1	1	2	3

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality									
Department: Planning and Housing									
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Annual Targets	Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
			2010/11	Quarter 1: 30- Sept 2010	Quarter 2: Dec 2010	Quarter 3: Mar 2011	Quarter 4: Jun 2011		
<i>EH</i>	Completed subsidy forms	Completed subsidy forms submitted to Province	40	10	10	10	10	18	7
<i>EH</i>	Final delivery forms	Completion of final delivery forms	600	150	150	150	150	0	75
<i>EH</i>	Project meetings	Project meetings	18	5	5	4	4	4	4
<i>BB</i>	Transfer documentation	Transfer documentation	500	140	140	140	130	837/309	292/113
<i>KPA 9: Spatial Planning SC</i>	Implementation of an Integrated Zoning Scheme	Completion of the George Integrated Zoning Scheme	Committee approved IZS	Finalise Draft IZS	Finalise Draft IZS	Finalise Public Participation process	Submit Final Draft IZS to Committee for Approval	Finalise Draft IZS in place	Finalise Draft IZS in place
<i>NK</i>	Address all illegal buildings reported to Planning Dept.	% of actions taken in relation to all complaints received.	80%	80%	80%	80%	80%	100%	100%
<i>CP</i>	Successful processing of Land Use applications	To complete all land use applications within 6 months after submission with at least 75% applications completed per month.	75%	75%	75%	75%	75%	100%	100%

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality									
Department: Planning and Housing									
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Annual Targets	Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
			2010/11	Quarter 1: 30- Sept 2010	Quarter 2: Dec 2010	Quarter 3: Mar 2011	Quarter 4: Jun 2011		
SC	Spatial Development Framework	Completion of the George Spatial Development Framework.	Committee approved SDF	Finalise Draft SDF	Finalise Draft SDF	Finalise Public Participation process	Submit Final Draft SDF to Committee for Approval	Finalisation of Draft SDF in process	Finalisation of Draft SDF in process
SC	Spatial Development Plans	Completion of the 7 Spatial Development Plans identified areas in George	Committee approved SDP's	Finalise Draft SDP	Finalise Draft SDP	Finalise Public Participation process	Submit Final Draft SDP's to Committee for Approval	Finalisation of Draft SDP's in process	Finalisation of Draft SDP's in process
NK	Successful approval of building plans	% of building plan applications successfully approved within eight weeks minus delays caused by applicants or other authorities	80%	80%	75%	75%	75%	94%	99%
DG	Managing alienation of Council Property	All awarded property sales in place within time limits in terms of due processes which need to be followed.	75%	75%	75%	75%	75%	100%	100%
DG	Managing leases of Council property	All awarded property leases in place within time limits in terms of due processes which need to be followed.	75%	75%	75%	75%	75%	100%	100%

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality									
(Generic KPA's for all Departments)									
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Annual Targets	Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
			2010/11	Quarter 1: 30- Sept 2010	Quarter 2: Dec 2010	Quarter 3: Mar 2011	Quarter 4: Jun 2011		
<i>KPA 29: Occupational Health and Safety</i>	To provide a safe and healthy work environment to all employees	Attendance of monthly Departmental SHE meeting	12	3	3	3	3	3	3
		Attendance of quarterly Central SHE meeting	4	1	1	1	1	1	1
<i>KPA 28: Training and capacity building</i>	To facilitate training and development of employees and councillors	Number of Departmental employees send on <u>external</u> training	7	1	3	2	1	2	3
		Number of Departmental employees send on <u>internal</u> training	15	3	4	4	4	7	0
<i>KPA 20: Financial viability and management</i>	Effective management of the Department	% of Capital Budget Spend	98%	25%	50%	75%	98%	31%	49%
		% of Operational Budget Spend	98%	25%	50%	75%	98%	15%	32%
	To comply and implement the supply chain management regulations	Number of procurement deviations	0	0	0	0	0	0	0
<i>KPA 33: Administrative support</i>	Effective management of the Department	% of council decisions applicable to department implemented	98%	98%	98%	98%	98%	100%	100%

Annexure 3.6:

MEMORANDUM



POSBUS/PO BOX 19 GEORGE 6550
E-POS/E-MAIL: hester@george.org.za, TEL: (044) 801 6380 FAX: (044) 801 6381

DIREKTORAAT GEMEENSKAPSVEILIGHEID DIRECTORATE COMMUNITY SAFETY

AAN: TO:	CAREY FOURIE
VAN: FROM:	B Nelson
TEL: TEL:	044 – 801 6380
DATE: DATE:	19 Januarie 2010
VERWYS: REF:	4
INSAKE: REGARDING:	MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT: COMMENTS DIRECTORATE: COMMUNITY SAFETY

SECTION 71 REPORT

• CAPITAL BUDGET

- The spending of the capital budget is currently below par for this directorate due to various reasons and constraints. An amount of R 2 million was rolled over from the previous financial year for the erection of CCTV cameras for the Mobility Strategy. This project will be finalised within the current financial year.
- An amount of R 50 000, 00 was budgeted for the purchasing of fire fighting pumps. The quotation is in the process of being awarded to the successful bidder.
- An amount of R 25 000, 00 was made available for the purchasing of furniture and the monies are in the process of being spend.
- An amount of R 1 350 00, 00 was budgeted for the erection of a satellite fire station in Pacaltsdorp. The amount is however financed from external loans that are currently in the process of being procured.

• OPERATIONAL BUDGET AND INCOME

- The overspending on the operating budget is due to personnel shortages as well as allowances that need to be paid to personnel acting in vacancies. Mostly the overspending can be attributed to the salary component of the budget.
- The directorate was set a comprehensive target with regards to the collection of fines. Currently the collections are progressing very well and we believe that the target set will be achieved.
- Due to the closure of the vehicle testing centre an under achievement is noted that can only be rectified once the situation normalises.

SERVICE DELIVERY TARGETS AS SET IN THE SDBIP FOR 2010/11

- Some problems are foreseen due to the fact that the Directorate's budget was cut drastically.

B NELSON
WNDE DIREKTEUR: GEMEENSKAPSVEILIGHEID

Community Safety

Summary of 2010/11 budget progress

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

	Capital Expenditure R'000	Operating Income R'000	Operating Expenditure R'000
Annual Budget	2,075	22,496	41,047
Plan to Date (SDBIP)	405	11,243	18,252
Actual	7	9,292	21,846
Variance to SDBIP	-398	-1,951	3,594
% Variance to SDBIP	-98%	-17%	20%
% of annual budget	0%	41%	53%
December 2009	10%	37%	52%

The above figures are explained in more detail throughout this report.

Capital Expenditure

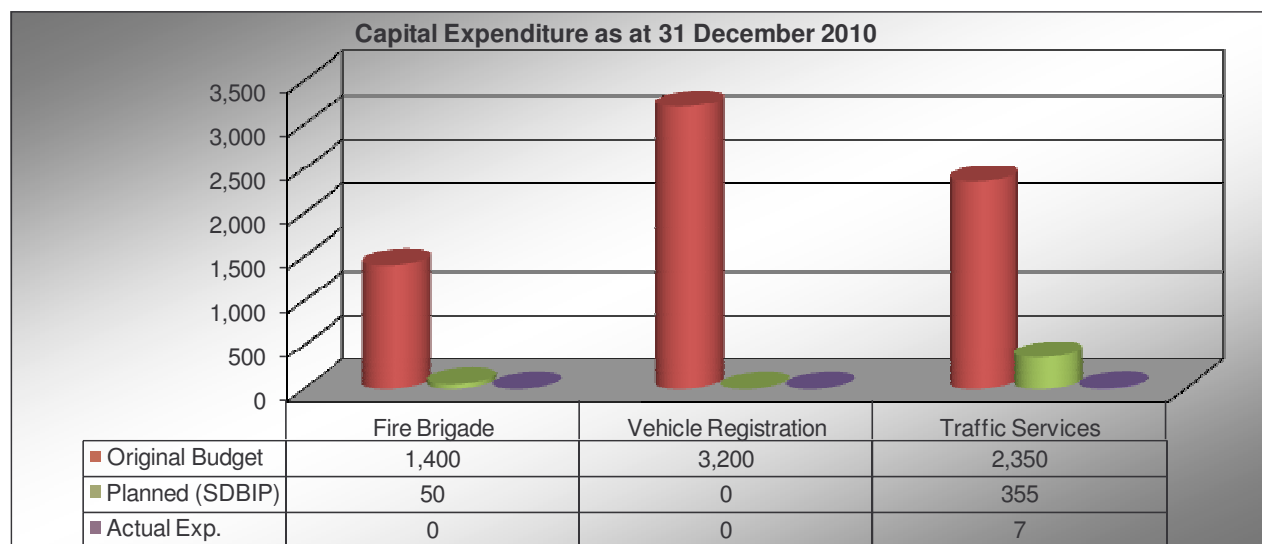
The following table shows the actual capital expenditure for each Department against that planned in the SDBIP at 31 December 2010.

	Original Budget	Open on Samras	Planned (SDBIP)	Actual Exp.	Variance	Variance %
Fire Brigade	1,400	50	50	0	-50	-100%
Vehicle Registration	3,200	0	0	0	0	0%
Traffic Services	2,350	2,025	355	7	-348	-98%
Total	6,950	2,075	405	7	-398	-98%

The above table shows that there is an under spending of R398 000 against the planned to spend expenditure of R405 000.

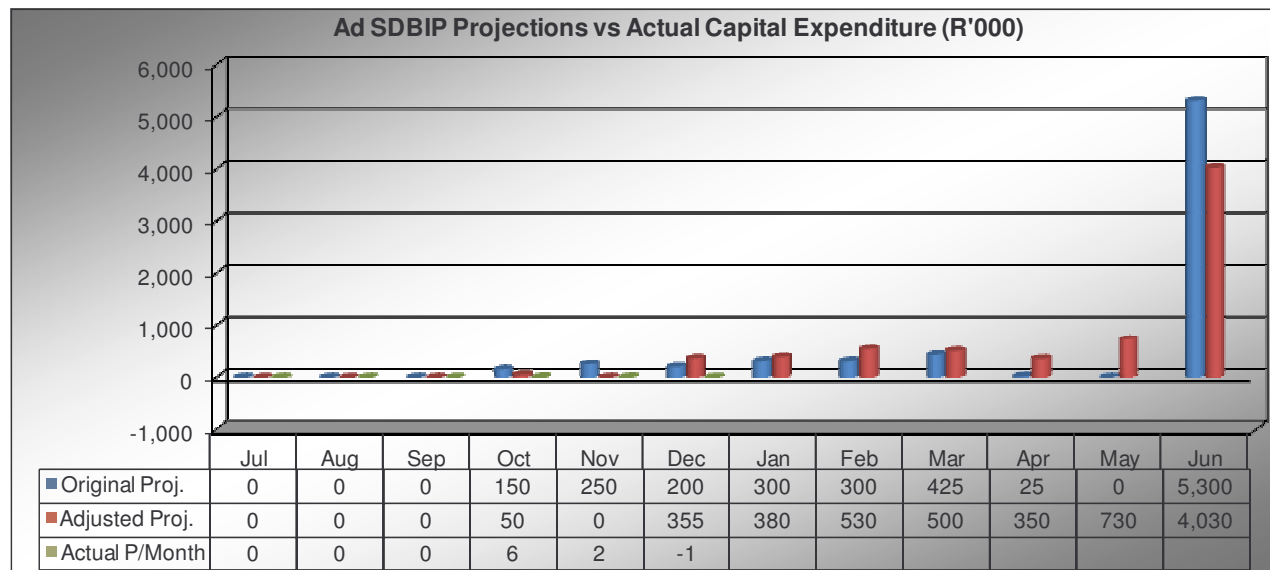
It should be noted that R2million open on Samras is a roll over from 2009/10 financial year.

The graph below compares the Original Budget to the Planned to date expenditure as per SDBIP to the actual expenditure to date figure per department.



Draft Mid -year Budget and Performance Assessment -2010/2011

The following graph compares the original Capital Expenditure projections of the 2010/11 SDBIP against the Actual Capital Expenditure per month for the Community Safety Department.



Draft Mid -year Budget and Performance Assessment -2010/2011

Community Safety Services Capital Budget 2010 - 2011 December 2010												
	R'000											
	Adjustment Budget	Budget available on Samras	Start Date	Completion Date	Dec 2010 planned (SDBIP)	Dec 2010 actual	Planned Spent to Date (SDBIP)	Actual to Date	Spent to Date variance	Spent to Date to Date % variance	Projections Revised	Explanation
FIRE BRIGADE:	1,400,000	50,000			25,000	-	50,000	-	(50,000)	-100%		
TRAILERS - FIRE FIGHTING RURAL AREAS	50,000	50,000	Dec-10	Feb-10	25,000	-	50,000	-	(50,000)	-100%		Contractor has been awarded only need to sign a contract, there were no appeals for the tender.
SATELITE STATION - PACALTSORP	1,350,000	-	Jan-11	May-11	-	-	-	-	-	No Planned Spend		Specs are ready, but funds not yet available to go out on tender, Finance said funds will be available on the 3rd of January 2011.
VEHICLE REGISTRATION:	3,200,000	-			-	-	-	-	-	No Planned Spend		
CIRCLE AT VEHICLE TESTING GROUND	200,000	-	Mar-11	June 11	-	-	-	-	-	No Planned Spend		Await release of CRR funds.
WEIGHBRIDGE	3,000,000	-	June 11	June 11	-	-	-	-	-	No Planned Spend		Project to be taken at Adjustment Budget, since it is not going to materialise.
TRAFFIC SERVICES:	2,350,000	2,025,000			330,000	(849)	355,000	6,979	(348,021)	-98%	-	
FURNITURE AND FITTINGS	50,000	25,000	Oct-10	Apr 11	-	(849)	25,000	6,979	(18,021)	-72%		Busy with project.
MOBILE CCTV CAMERA	300,000	-	June 11	June 11	-	-	-	-	-	No Planned Spend		Await release of CRR funds.
MOBILITY STRATEGY - CCTV MB STR	2,000,000	2,000,000	Dec-10	June 11	330,000	-	330,000	-	(330,000)	-100%		presentation for selected bidder to take place and there after an item will be submitted to council for approval.
	6,950,000	2,075,000			355,000	(849)	405,000	6,979	(398,021)	-98%		
% of Annual Budget Spent								0.10%				
% of Annual Budget Spent available on samras								0.34%				

Operating Income

The following table shows the actual operating income per Department against that planned in the SDBIP at 31 December 2010.

It should be noted that the figures relate to billed income and not cash collected.

<u>INCOME</u>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED INCOME TO DATE (SDBIP)	ACTUAL INCOME TO DATE	VARIANCE	% VARIANCE
INFORMAL TRADING CONTROL	(248,600)	(248,600)	(124,300)	(122,820)	1,480	-1%
FIRE BRIGADE	(60,000)	(60,000)	(25,000)	(25,738)	(738)	3%
SECURITY SERVICES	-	-	-	-	-	0%
TRAFFIC: VEHICLE TESTING CENTRE	(3,320,000)	(3,320,000)	(1,660,000)	91	1,660,091	-100%
TRAFFIC: DRIVERS LICENCE	(2,322,100)	(2,322,100)	(1,161,050)	(925,207)	235,844	-20%
TRAFFIC: VEHICLE REGISTRATION	(5,180,300)	(5,180,300)	(2,590,150)	(2,710,295)	(120,145)	5%
TRAFFIC: LAW ENFORCEMENT	(11,365,000)	(11,365,000)	(5,682,500)	(5,507,643)	174,857	-3%
	(22,496,000)	(22,496,000)	(11,243,000)	(9,291,612)	1,951,388	-17%

% of Annual Budget Billed

41.30%

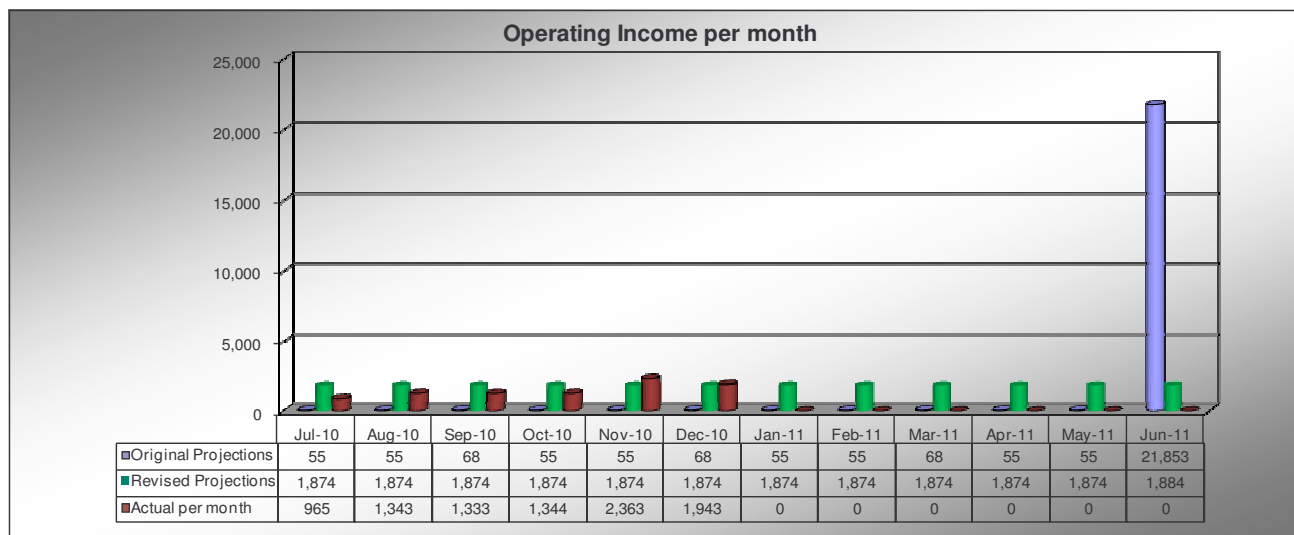
The above table shows that there was an under achievement of R 1 951 388 against the planned income.

Under achievement needs to be explained.

The Testing Centre is the only department that is not generating any income due to it being closed and currently busy with the planning phase for a tender for a private company to render the service.

41.30% of the annual budget has been received.

The graph below compares the Original and Revised projections against the Actual for the month.



Operating Expenditure

The following table shows the actual operating expenditure for each Department against that planned in the SDBIP at 31 December 2010.

<u>EXPENDITURE</u>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED EXP. TO DATE (SDBIP)	ACTUAL EXP. TO DATE	VARIANCE	% VARIANCE
INFORMAL TRADING CONTROL	1,325,741	1,325,741	702,167	636,693	(65,473)	-9%
FIRE BRIGADE	8,469,019	8,480,019	4,148,965	4,937,931	788,966	19%
SECURITY SERVICES	3,512,993	3,752,993	1,926,566	2,278,931	352,365	18%
TRAFFIC: VEHICLE TESTING CENTRE	730,181	730,181	313,898	354,107	40,209	13%
TRAFFIC: DRIVERS LICENCE	1,501,041	1,501,041	778,564	742,308	(36,256)	-5%
TRAFFIC: VEHICLE REGISTRATION	2,536,024	2,536,024	1,100,687	1,285,008	184,320	17%
TRAFFIC: LAW ENFORCEMENT	22,683,769	22,720,769	9,281,169	11,610,722	2,329,553	25%
	40,758,768	41,046,768	18,252,014	21,845,699	3,593,685	20%
				53.22%		

% of Annual Budget Spent

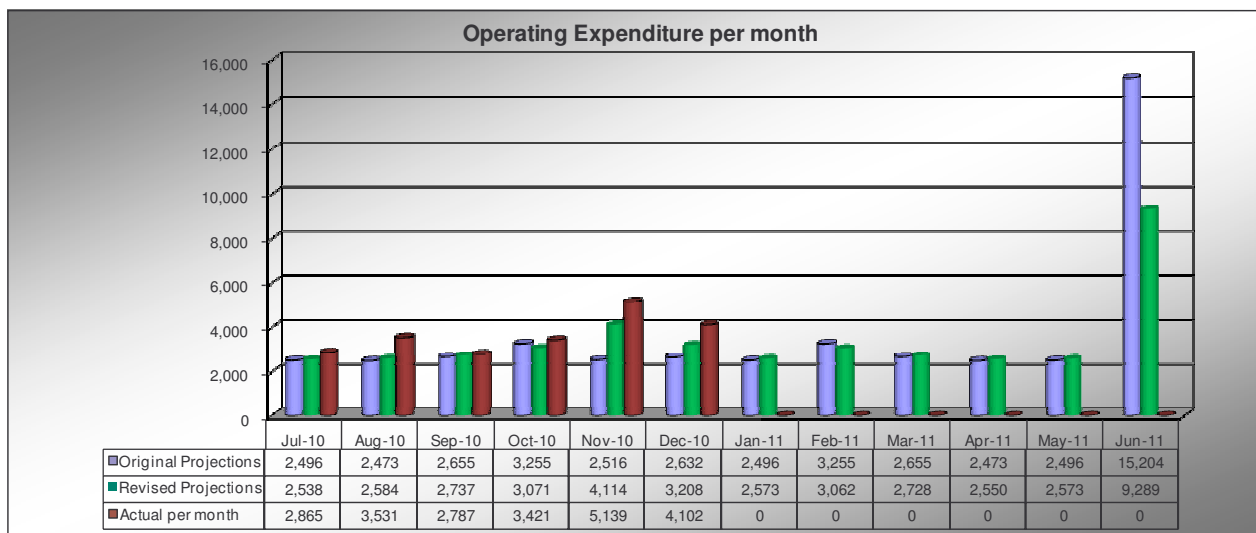
The above table shows that there is an over spending of R 3 593 685 against the planned expenditure.

Variances more that 10% needs to be explained.

The salary components are the major with regards to the current spending.

Thus 53.22% of the annual budget has been spent.

The graph below compares the Original and Revised projections against the Actual for the month.



Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality											
(Department: Community Safety)											
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter	
				2010/11	Q1	Q2	Q3	Q4			
KPA 12: Public Safety and Law Enforcement	To reduce and effectively extinguish fires in the Municipality	Number of fires attended.	30p/m	25p/m	25p/m	25p/m	25p/m	25p/m	95	91	
		Average reaction time attending to fires – urban	08/09 min	07/08 min	7min	7min	7min	7min	7min	7 min	7
		Average reaction time attending to fires – rural.	20min	18min	18min	18min	18min	18min	18min	18 min	18
		Number of fire prevention inspections conducted	350	360	90	90	90	90	90	102	112
		Training of staff in fire fighting	16	18	5	4	4	5	4	4	
	To promote and improve road safety in the Municipality	Number of road traffic accidents (deaths/major/minor)	800	780	195	195	195	195	195	83	796
		Number of moving violations	24000	26000	6500	6500	6500	6500	6500	37547	35112
		Number of taxi violations	6000	5000	1250	1250	1250	1250	1250	99	49
		Number of defects on vehicles	8000	9000	2250	2250	2250	2250	2250	265	263

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality										
(Department: Community Safety)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
				2010/11	Q1	Q2	Q3	Q4		
		Number of road safety educational events held	10	12	3	3	3	3	0	0
		Number of arrests	400	450	112	113	112	113	76	14
	To control stray animals	Number of prosecutions of owners of stray animals	20	20	4	4	4	4	2	1
		Number of animals impounded	100	100	20	20	20	20	10	7
	To develop, update and implement the Municipal Disaster Management Plan	Disaster management plan in place. Revision of disaster management plan	1	1	1	1	1	1	1	0
	To effectively enforce municipal by-laws and regulations	Number of by-laws offences / number of arrests	1000	1200	300	300	300	300	1104	1287
KPA 13: Road Transport	To ensure road safety through the regulation and control of road transport	Number of applicants tested for drivers licences.	12800	13000	3250	3250	3250	3250	796	701
		Number of applicants tested for learner drivers licences	15000	15000	3750	3750	3750	3750	1022	761
		Number of drivers licences renewals	14000	14200	3550	3550	3550	3550	1589	1315
		Number of vehicle registrations processed	61000	61000	15250	15250	15250	15250	24018	24425
		Evacuation exercises	10	10	2	3	2	3	2	

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality										
(Generic KPA's for all Departments)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets					
				2010/11	Q1	Q2	Q3	Q4		
KPA 29: Occupational Health and Safety	To provide a safe and healthy work environment to all employees	Attendance of monthly Departmental SHE meeting	12	12	3	3	3	3	2	0
		Attendance of quarterly Central SHE meeting	4	4	1	1	1	1	1	0
KPA 28: Training and capacity building	To facilitate training and development of employees and councillors	Number of Departmental employees send on external training	5	7	1	3	2	1	21	5
		Number of Departmental employees send on internal training	10	15	3	4	4	4	0	5
KPA 20: Financial viability and management	Effective management of the Department	% of Capital Budget Spend	98%	98%	25%	50%	75%	98%	0%	1%
		% of Operational Budget Spend	98%	98%	25%	50%	75%	98%	23%	53%
	To comply and implement the supply chain management regulations	Number of procurement deviations	0	0	0	0	0	0	0	1
KPA 33: Administrative support	Effective management of the Department	% of council decisions applicable to department implemented	98%	98%	98%	98%	98%	98%	85%	50%

Annexure 3.7:

MEMORANDUM



POSBUS/PO BOX 19 GEORGE 6530

KANTOOR VAN DIE SENIOR BESTUURDER: OMGEWINGSAKE

AAN: TO:	Acting Director: Financial Services Attention: Carey Janse van Vuuren
VERW: REF:	5/1/1/2
NAVRAE: ENQUIRIES:	G Campher
UITBREIDING: EXTENSION:	802 2918
DATUM: DATE:	19 January 2011
INSAKE: REGARDING:	MID YEAR BUDGET ASSESMENT

Capital Budget

An amount of R 3 650 000, 00 was approved on the Capital Budget for the 2010/2011 Financial year. Only R 625 000, 00 was made available on SAMRAS which represents 17% of the approved Capital Budget.

Two Capital Items to a total of R 2 000 000, 00 (Wheely Bins, Compost Plant) will be removed from this years budget. The other capital projects will be proceeded with when the necessary funding can be made available in the 2010/2011 financial year.

Operating Budget

Certain items on the operating budget were not funded correctly due to cutbacks on the original budgeted amounts. These items together with possible savings will be referred to the adjustment budget in the 2010/2011 financial year.



A J SMITH

SENIOR MANAGER: ENVIRONMENTAL AFFAIRS & SPORT

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Environmental Affairs

Summary of 2010/11 budget progress

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

	Capital Expenditure R'000	Operating Income R'000	Operating Expenditure R'000
Annual Budget	3,650	51,441	65,862
Plan to Date (SDBIP)	475	43,024	19,756
Actual	350	45,957	16,565
Variance to SDBIP	125	668	-3,192
% Variance to SDBIP	-26%	1%	-16%
% of annual budget	10%	89%	25%
% of 2009/10 annual budget	46%	91%	47%

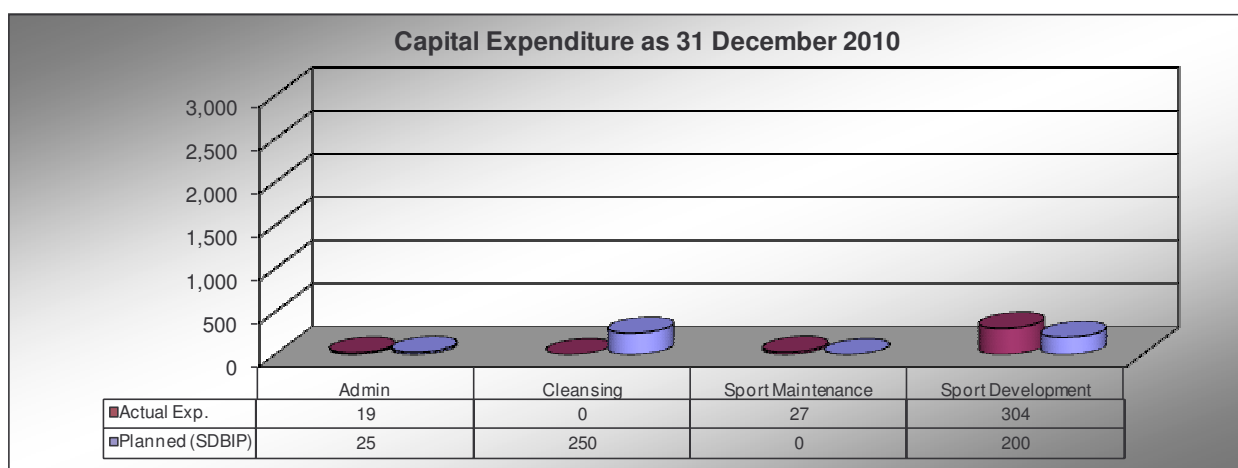
The figures above are explained in more detail throughout this report.

Capital Expenditure

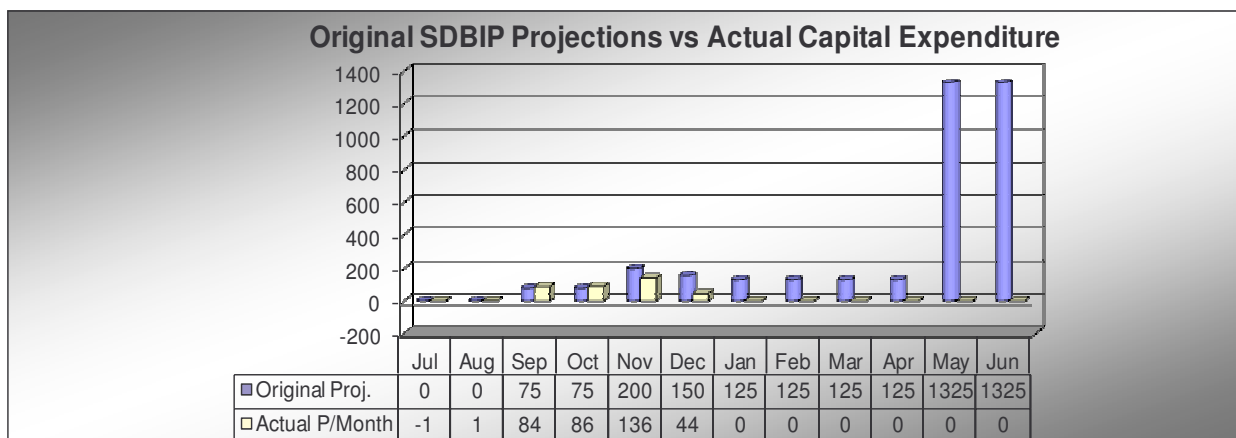
The following table shows the actual capital expenditure for each Department against that planned in the SDBIP at 31 December 2010.

	Adjustment Budget	Open on Samras	Planned (SDBIP)	Actual Exp.	Variance	Variance %
Admin	50	25	25	19	-6	-24%
Cleansing	2,000	0	250	0	-250	0%
Sport Maintenance	715	715	0	27	27	0%
Sport Development	885	885	200	304	104	52%
Total	3,650	1,625	475	350	-125	-26%

The table above shows that there is currently an under spending between the planned to spend and the actual spent in the department.



The following graph compares the Original Capital expenditure projections of the 2010/11 SDBIP against the Actual Capital Expenditure per month for the Environmental Affairs Directorate.



Draft Mid -year Budget and Performance Assessment -2010/2011

Environmental Affairs													
Capital Budget 2010 - 2011 December 2010		R'000											
	Approved Budget	Budget available on Samras	Start Date	Completion Date	Dec 2010 planned (SDBIP)	Dec 2010 actual	Planned Spent to Date (SDBIP)	Actual Spent to Date	Spent to Date variance	Spent to Date % variance	Projections Revised	Explanation	
ENVIRONMENTAL ADMIN	50,000	25,000			-	-	25,000	18,897	(6,103)	-24%			
OFFICE EQUIPMENT	50,000	25,000	Sept 10	Sept 10	-	-	25,000	18,897	(6,103)	-24%			
CLEANSING AND ENVIRONMENTAL HEALTH	2,000,000	-			125,000	-	250,000	-	(250,000)	-100%			
240LITER WHEELY BINS	1,000,000	-	Nov 10	June 11	125,000	-	250,000	-	(250,000)	-100%			To be taken off at the next Adjustment Budget.
BUILDING OF COMPOST PLANT	1,000,000	-	May 11	June 11	-	-	-	-	-	No Planned Spend			To be taken off at the next Adjustment Budget.
SPORT MAINTENANCE	715,000	715,000			-	-	-	26,535	26,535	No Planned Spend			
PAVILION COMPLETION-ROSEMORE	315,000	315,000	May 11	June 11	-	-	-	16	16	No Planned Spend			To be taken off this year's budget at the next Adjustment Budget and be on the 2011/12 Budget as it needs more money.
FLOODLIGHTS - ROSEMORE STADIUM	27,000	27,000	May 11	June 11	-	-	-	26,519	26,519	No Planned Spend			Finalised.
SWIMMING POOL PADS	373,000	373,000	May 11	June 11	-	-	-	-	-	No Planned Spend			To be taken to Adjustment Budget as it needs more money than current Budget, tenders have been received but for R530 000.
SPORT DEVELOPMENT	885,000	885,000			25,000	43,872	200,000	304,452	104,452				
BUILDING/SPORT INFRASTRUCTURE-THEMBALETHU	200,000	200,000	Sept 10	Nov 10	-	43,872	100,000	137,039	37,039	37%			Project is going well, busy with final touch ups.
INFRASTRUCTURE - MARAISKAMP SPORTGROUNDS	410,000	410,000			-	-	-	-	-	No Planned Spend			To be taken to Adjustment Budget as it needs to increase to R900 000 due to the tendered amount.
ABLUSION FACILITIES - LAWAAIKAMP SPORTGROUND	275,000	275,000	Oct 10	Dec 10	25,000	-	100,000	167,412	67,412	67%			Project is going well, busy with roof and final touch ups.
	3,650,000	1,625,000			150,000	43,872	475,000	349,883	(125,117)	-26%			
% of Annual Budget Spent								9.59%					
% Spent of Annual Budget available on samras								21.53%					

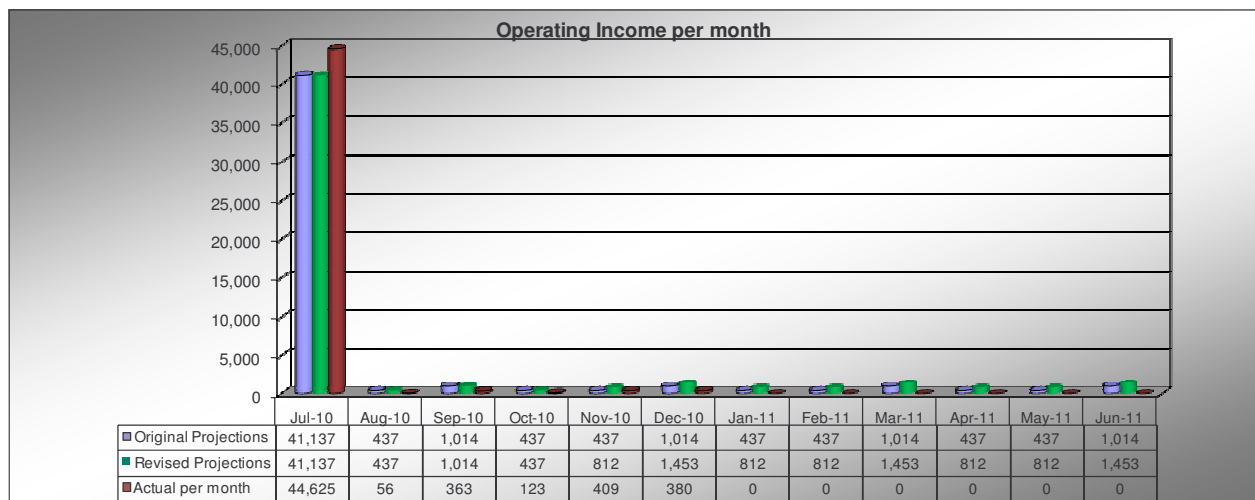
Operating Income

The following table shows the actual operating income per Department against that planned in the SDBIP at 31 December 2010.

<u>INCOME</u>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED INCOME TO DATE (SDBIP)	ACTUAL INCOME TO DATE	VARIANCE	% VARIANCE
ENVIRONMENTAL: ADMINISTRATION	-	-	-	(157,110)	(157,110)	No Planned Income
ENVIRONMENTAL HEALTH	(2,000)	(2,000)	(1,000)	(761)	239	-24%
SPORT / RECREATION	(2,000)	(2,000)	(1,000)	(11,228)	(10,228)	1023%
SWIMMINGPOOL	(10,000)	(10,000)	(5,000)	(2,007)	2,993	-60%
CEMETRIES	(300,000)	(300,000)	(150,000)	(154,781)	(4,781)	3%
HEROLDS BAY CAMPING SITE	(310,000)	(310,000)	(155,000)	(289,206)	(134,206)	87%
PARKS	(2,000,000)	(2,191,446)	(1,063,815)	(711,090)	352,726	-33%
BEACH AREAS	-	-	-	(10,000)	(10,000)	0%
PUBLIC TOILETS	-	-	-	-	-	0%
REFUSE SITE	-	-	-	-	-	0%
STREET CLEANING	-	-	-	-	-	0%
REFUSE REMOVAL	(45,626,000)	(45,626,000)	(43,163,000)	(44,620,688)	(1,457,688)	3%
FORESTRY	-	(3,000,000)	(750,000)	-	750,000	-100%
MAINTENANCE	-	-	-	-	-	0%
FENCING AND SIDINGS	-	-	-	-	-	0%
NIGHT SOIL REMOVAL	-	-	-	-	-	0%
	(48,250,000)	(51,441,446)	(45,288,815)	(45,956,871)	(668,056)	1%
% of Annual Budget Billed						
				89.34%		

The above table shows that there is currently an over achievement of income of R 668 056 between the planned and actual income.

The following graph compares the planned against the actual income per month.



Operating Expenditure

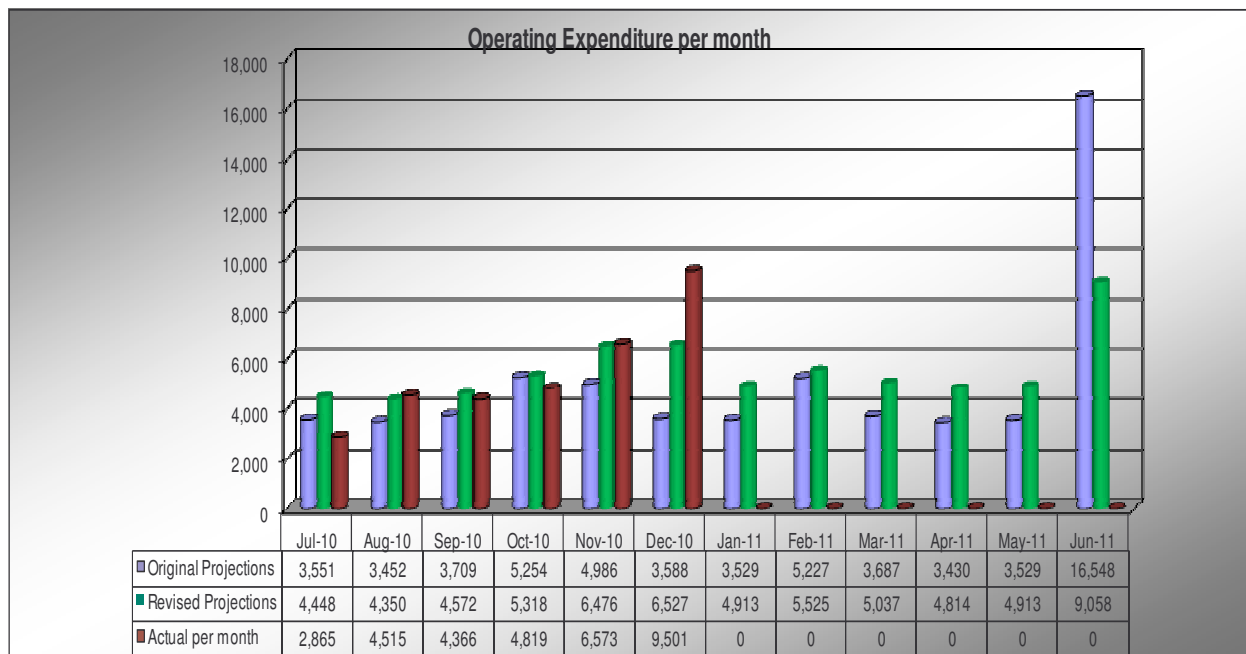
The following table shows the actual operating expenditure for each Department against that planned in the SDBIP at 31 December 2010.

EXPENDITURE	ORIGINAL BUDGET	REVISED BUDGET	PLANNED EXP. TO DATE (SDBIP)	ACTUAL EXP. TO DATE	VARIANCE	% VARIANCE
ENVIRONMENTAL: ADMINISTRATION	6,750,570	6,750,570	3,365,723	4,638,640	1,272,917	38%
ENVIRONMENTAL HEALTH	709,673	709,673	381,280	348,940	(32,341)	-8%
SPORT / RECREATION	6,995,862	7,010,862	3,462,752	3,578,938	116,185	3%
SWIMMINGPOOL	803,719	803,719	361,865	279,952	(81,913)	-23%
CEMETRIES	1,433,477	1,903,477	853,962	511,146	(342,816)	-40%
HEROLDS BAY CAMPING SITE	139,255	139,255	41,183	36,717	(4,466)	-11%
PARKS	10,372,415	10,098,861	4,837,975	3,797,830	(1,040,144)	-21%
BEACH AREAS	216,989	216,989	112,319	159,338	47,018	42%
PUBLIC TOILETS	836,455	836,455	428,911	451,426	22,516	5%
REFUSE SITE	5,667,684	5,688,684	2,358,209	1,490,319	(867,890)	-37%
STREET CLEANING	3,854,418	3,934,418	2,033,627	2,353,394	319,766	16%
REFUSE REMOVAL	20,389,218	20,469,218	10,391,618	12,032,065	1,640,447	16%
FORESTRY	1,260,300	4,260,300	1,380,150	1,372,061	(8,089)	-1%
MAINTENANCE	1,327,943	1,337,943	701,550	660,802	(40,748)	-6%
FENCING AND SIDINGS	862,505	885,505	447,207	486,257	39,049	9%
NIGHT SOIL REMOVAL	1,014,043	1,024,043	531,701	440,713	(90,988)	-17%
	62,634,526	66,069,972	31,690,031	32,638,535	948,504	3%
				49.40%		

% of Annual Budget Spent

The above table shows that there is currently an over spending of R 948 504 between the planned level of expenditure and actual expenditure.

The following graph compares the planned original and revised projections against the actual operating expenditure per month



Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality										
(Department: Environmental Affairs)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line	2010/11	Quarterly Targets					
					Q1	Q2	Q3	Q4		
KPA 14: Environmental Health	To provide effective provision of municipal environmental health services as determined by the NHA	Number of complaints received	600	600	150	150	150	150	47	59
		Percentage of complaints addressed	90%	90%	90%	90%	90%	90%	100%	100%
		Number of environmental health information sessions held	8	8	2	2	2	2	1	1
KPA 15: Public Amenities	Maintain and control public amenities and areas to promote a safe and healthy environment	Public toilets per 10 000 population	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0,6
		Number of man hours spend on cleaning public toilets (frequency: daily)	72000	72000	18000	18000	18000	18000	5302	5750
		Weed control in cemeteries	600 ha	600 ha	100	200	200	100	125	30

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Objectives, Goals, KPI's and Targets of the Municipality (Department: Environmental Affairs)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line	2010/11	Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
					Q1	Q2	Q3	Q4		
		Number of man hours spend on cleaning of beaches (Frequency: daily)	7600	7600	1900	1900	1900	1900	996	996
		Number of overnight stays at Harolds Bay camp site	1400	1400	100	900	300	100	24	1003
		Hectares of alien vegetation cleared	50	50	12.5	12.5	12.5	12.5	0	12,5
		Hectares of grass cut/ month	2700	2700	675	675	675	675	680	695
		Number of trees planted	2000	300	200	100	0	0	350	0
		Number of trees pruned	5000	5000	2000	500	500	2000	2000	150
KPA 16: Waste	To provide an integrated waste	% total waste collected recycled	6%	6%	6%	6%	6%	6%	6%	6%
		Tons of household refuse collected (transfer station)	31000	31400	7800	7900	7900	7800	8376	13119
		KPA – Percentage of households with access to basic level of solid waste removal	95%	97%	97%	97%	97%	97%	100%	100%

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Objectives, Goals, KPI's and Targets of the Municipality										
(Department: Environmental Affairs)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
				2010/11	Q1	Q2	Q3	Q4		
		% of households with weekly refuse collection service	95%	97%	97%	97%	97%	97%	97%	97%
		Number of man hours spend cleaning streets	240000	242000	60000	62000	60000	60000	60 500	60 500
KPA 30: People Management and Empowerment	Effective management of the Environmental Affairs Department									
KPA 20: Financial viability and management		KPA: % of Capital budget spent	90%	95%	30%	50%	70%	95%	13, 44%	22%
		Number of Municipal buildings disability friendly	6	7	7	7	7	7	16	16
		Number of new appointees inline with employment equity plan	90%	90%	90%	90%	90%	90%	100%	100%

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Objectives, Goals, KPI's and Targets of the Municipality										
(Department: Environmental Affairs)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
				2010/11	Q1	Q2	Q3	Q4		
KPA 17: Sport facilities	To develop, improve and manage	Update and maintain sport database	80%	100%	80%	90%	100%	100%	85%	85%
		Number of approved contracts with sport clubs	6	7	2	2	2	1	0	0
		% maintain utilization of sport facilities	95%	95%	95%	95%	95%	95%	95%	95%
		Number of Municipal sport facilities disable friendly	7	7	7	7	7	7	3	3
	The development and implementation of a sport development strategy in the Municipality	Sport Development Strategy	1	1	0	0	1	0	1	1

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(Generic KPA's for all Departments)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line	2010/11	Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
					Q1	Q2	Q3	Q4		
KPA 29: Occupational Health and Safety	To provide a safe and healthy work environment to all employees	Attendance of monthly Departmental SHE meeting	12	12	3	3	3	3	1	3
		Attendance of quarterly Central SHE meeting	4	4	1	1	1	1	1	1
KPA 28: Training and capacity building	To facilitate training and development of employees and councillors	Number of Departmental employees send on <u>external</u> training	5	7	1	3	2	1	15	6
KPA 20: Financial viability and management	Effective management of the Department	% of Capital Budget Spend	98%	95%	25%	50%	75%	95%	13, 44%	22%
		% of Operational Budget Spend	98%	95%	25%	50%	75%	95%	19%	49%
	To comply and implement the supply chain management regulations	Number of procurement deviations	0	1	0	0	1	0	0	0
KPA 33: Administrative support	Effective management of the Department	% of council decisions applicable to department implemented	98%	98%	98%	98%	98%	98%	100%	100%

Annexure 8:

Financial Services

Summary of 2010/11 budget progress

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

	Capital Expenditure R'000	Operating Income R'000	Operating Expenditure R'000
Original Budget	50	230,843	138,684
Revised Budget	50	230,493	138,347
Budget on SAMRAS	25	230,493	138,347
Plan to Date (SDBIP)	20	201,343	77,900
Actual	5	203,072	76,262
Variance to SDBIP	-15	1,728	-1,637
% Variance to SDBIP	-75%	1%	-2%
% of annual budget	10%	88%	55%

December 2009 **0%** **84%** **63%**

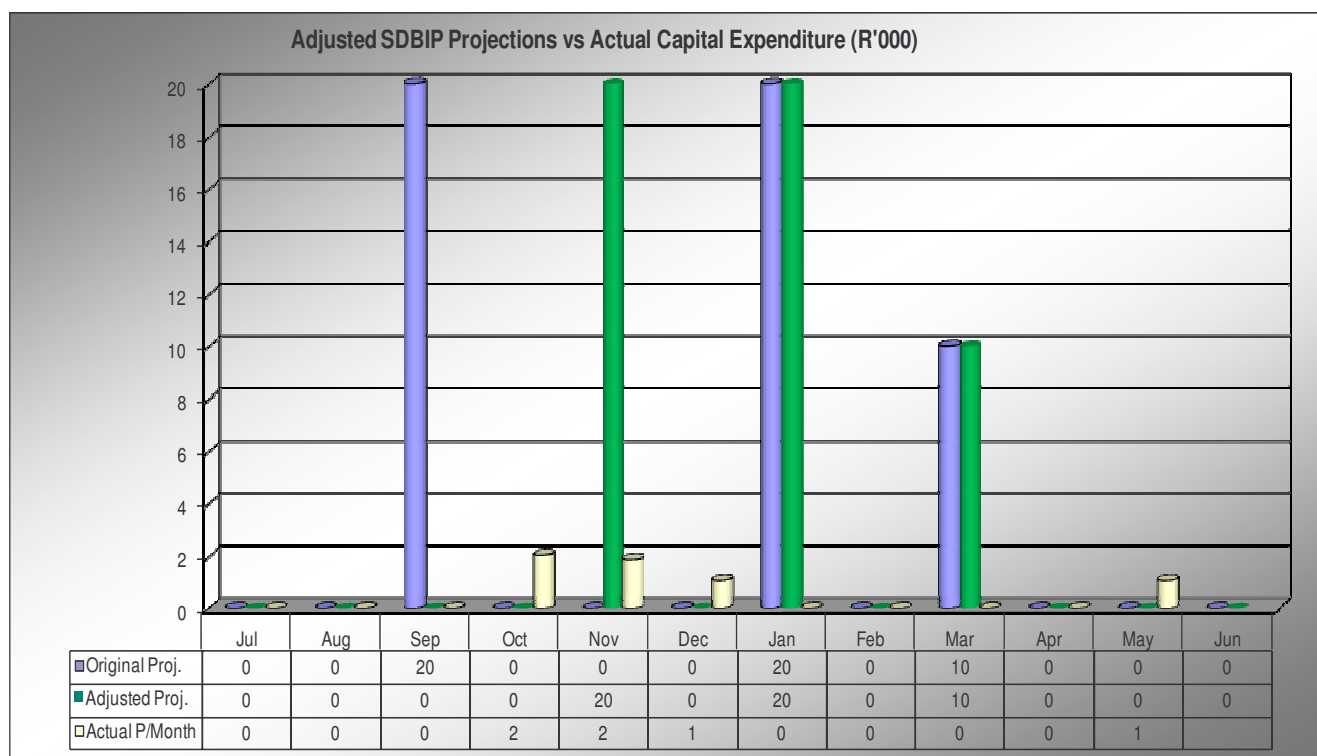
The above figures are explained in more detail throughout this report.

Capital Expenditure

The following table shows the actual capital expenditure and the adjustment for each project against that planned in the SDBIP at 31 December 2010.

	Original Budget	Open on SAMRAS	Planned (SDBIP)	Actual Exp.	Variance	Variance %
Furniture & Fittings	50	25	20	5	-15	-75%
Total	50	25	20	5	-15	-75%

An amount of R25 000 has been made available for spending. To date R 4,981 have been spend.



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Capital Budget 2010 - 2011

R'000

December 2010

	Adjustment Budget	Budget available on Samras	Start Date	Completion Date	Dec 2010 planned (SDBIP)	Dec 2010 actual	Planned Spent to Date (SDBIP)	Actual Spent to Date	Spent to Date variance	Spent to Date % variance	Projections Revised	Explanation	Corrective Measures
FURNITURE AND FITTINGS	50,000	25,000	Sept 10	Mar 11	0	1,053	20,000	4,981	(15,019)	-75%	1	Project ongoing	
	50,000	25,000			-	1,053	20,000	4,981	(15,019)	-75%			

% of Annual Budget Spent

9.96%

% of Available Budget Spent

19.92%

Operating Income

The following table shows the actual operating income per Department against that planned in the SDBIP at 31 December 2010. It should be noted that the figures for Rates relate to billed income and not cash collected.

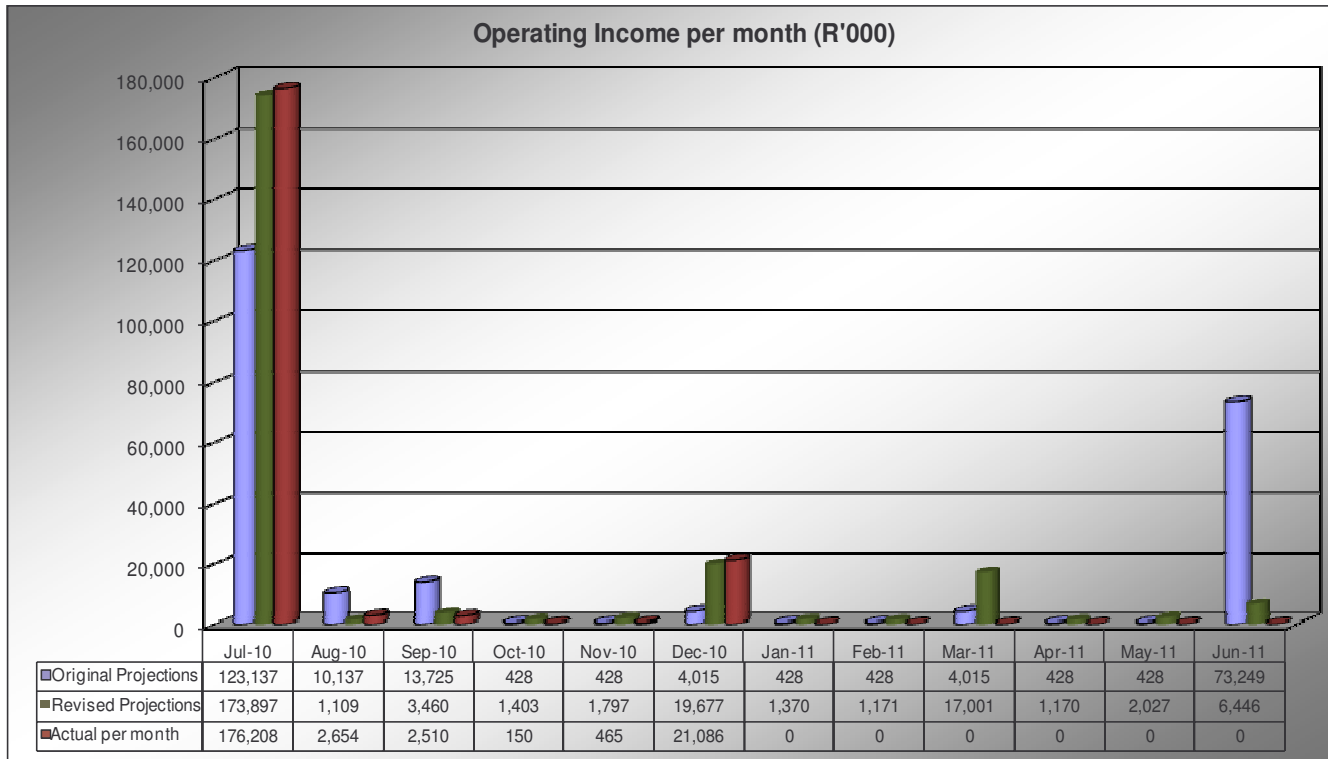
<u>INCOME</u>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED INCOME TO DATE (SDBIP)	ACTUAL INCOME TO DATE	VARIANCE	% VARIANCE
INCOME DEPARTMENT	(532,200)	(532,200)	(23,716)	(28,334)	(4,619)	19%
VALUATIONS	-	-	-	(246)	(246)	No Planned Income
SUPPLY CHAIN MANAGEMENT	(110,000)	(110,000)	(53,000)	(51,634)	1,366	-3%
RATES	(154,748,500)	(154,748,500)	(151,738,607)	(153,183,462)	(1,444,855)	1%
CREDITORS SECTION	-	-	-	-	-	0%
FINANCIAL STATEMENTS	(3,300,000)	(2,950,000)	(380,000)	(352,965)	27,035	-7%
BUDGET OFFICE	(800,000)	(800,000)	(317,815)	(315,343)	2,472	-1%
FINANCE ADMINISTRATION	(11,311,000)	(11,311,000)	(4,348,500)	(4,396,710)	(48,210)	1%
CREDIT CONTROL	(58,296,000)	(58,296,000)	(43,722,346)	(43,846,369)	(124,023)	0%
TREASURY	(465,000)	(465,000)	(84,500)	(85,767)	(1,267)	1%
SALARIES	-	-	-	-	-	0%
STORES	-	-	-	-	-	0%
COMPUTER MAINFRAME	-	-	-	-	-	0%
	(229,562,700)	(229,212,700)	(200,668,484)	(202,260,832)	(1,592,348)	1%
% of Annual Budget Billed				88.24%		

HOUSING	(1,280,000)	(1,280,000)	(675,000)	(811,054)	(136,054)	20%
	(1,280,000)	(1,280,000)	(675,000)	(811,054)	(136,054)	20%
% of Annual Budget Billed				63.36%		

The above table shows that there is currently an over collection of income of R 1,592,348 against the planned level of income of R 200,668,484, excluding Housing.

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The following graph sets out the actual income against the planned income.



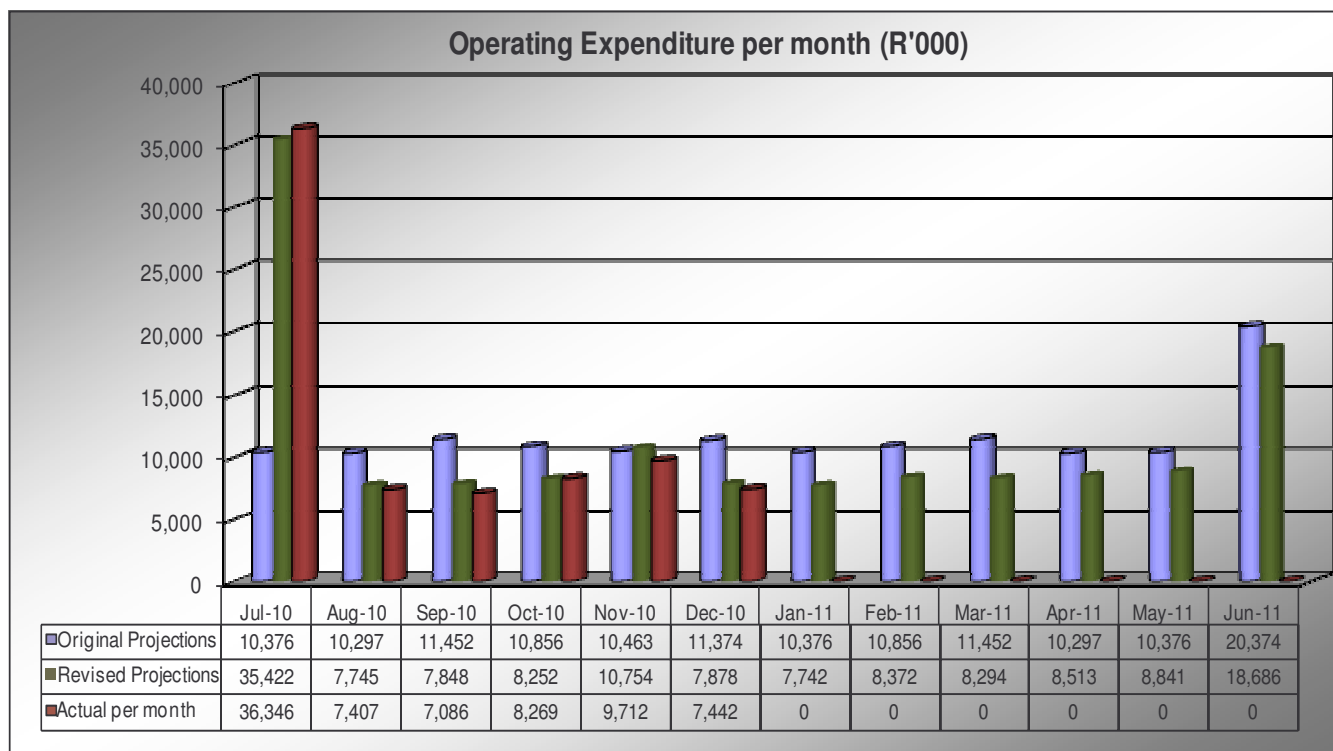
Operating Expenditure

The following table shows the actual operating expenditure for each department against that planned in the SDBIP at 31 December 2010.

<i>EXPENDITURE</i>	ORIGINAL BUDGET	REVISED BUDGET	PLANNED EXP. TO DATE (SDBIP)	ACTUAL EXP. TO DATE	VARIANCE	% VARIANCE
INCOME DEPARTMENT	10,569,958	10,569,958	5,402,314	5,148,145	(254,169)	-5%
VALUATIONS	1,943,475	1,943,475	286,052	261,316	(24,735)	-9%
SUPPLY CHAIN MANAGEMENT	2,031,153	2,055,153	1,035,937	1,114,519	78,582	8%
RATES	31,136,500	31,136,500	30,329,939	31,488,136	1,158,197	4%
CREDITORS SECTION	1,903,466	1,903,466	993,830	1,107,302	113,472	11%
FINANCIAL STATEMENTS	5,086,069	4,736,069	1,353,195	1,325,760	(27,435)	-2%
BUDGET OFFICE	2,823,807	2,823,807	1,434,753	1,431,858	(2,894)	0%
FINANCE ADMINISTRATION	2,440,000	2,440,000	700,000	747,901	47,901	7%
CREDIT CONTROL	65,280,725	65,280,725	30,552,048	28,653,890	(1,898,157)	-6%
TREASURY	4,145,109	4,134,109	1,358,973	1,361,791	2,817	0%
SALARIES	1,224,262	1,224,262	637,910	677,637	39,727	6%
STORES	1,330,558	1,330,558	678,277	648,733	(29,545)	-4%
COMPUTER MAINFRAME	2,080,794	2,080,794	1,397,655	1,457,664	60,009	4%
	131,995,876	131,658,876	76,160,883	75,424,653	(736,230)	-1%
% of Annual Budget Spent				57.29%		
HOUSING	6,688,290	6,688,290	1,738,926	837,808	(901,118)	-52%
	6,688,290	6,688,290	1,738,926	837,808	(901,118)	-52%
% of Annual Budget Spent				12.53%		

Draft Mid -year Budget and Performance Assessment -2010/2011

The table above shows that there is currently an under expenditure of R 736,230 against the planned level of expenditure of R 76,160,883, excluding Housing.



Overtime spend to date:

<u>Cost centres</u>	<u>Budget</u>	<u>YTD Actual</u>	<u>Variance</u>	<u>%</u>
Credit Control	24,000.00	23,393.07	606.93	2.5%
Stores	9,000.00	2,152.86	6,847.14	76.1%
IT Service: Mainframe	8,000.00	0.00	8,000.00	100.0%
Income Section	47,000.00	8,121.01	38,878.99	82.7%
Valuation Section	2,000.00	0.00	2,000.00	100.0%
CFO Office / Treasury	6,000.00	0.00	6,000.00	100.0%
Supply Chain Management	28,000.00	34,013.64	-6,013.64	-21.5%
Creditors Section	9,000.00	0.00	9,000.00	100.0%
Remuneration Section	24,000.00	6,913.30	17,086.70	71.2%
Budget Office	2,000.00	0.00	2,000.00	100.0%
AFS Section	2,000.00	0.00	2,000.00	100.0%
Housing	2,000.00	0.00	2,000.00	100.0%
	163,000.00	74,593.88	88,406.12	54.2%

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Objectives, Goals, KPI's and Targets of the Municipality										
(Department: Financial Services)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
				2010/11	Q1	Q2	Q3	Q4		
KPA 20: Financial viability and management	financial viability as expressed in the ratios prescribed in the Planning and Performance	Annual Financial Statements	1 Set of audited financial statements	1	1				1 31 Aug 2010	-
		Debt coverage ratio							-	-
		Outstanding service debtors to revenue ratio							-	-
		Cost coverage ratio							-	-
	To comply and implement the supply chain management regulations	Supply Chain Management report	Quarterly	4	1	1	1	1	1	1
	To developed and implement appropriate financial related policies for the Municipality	Cash management and investment policy	Annually	1			1		-	-
	of the municipal	Payment of Salaries	100%	100%	100%	100%	100%	100%	100%	100%
		Salary related deductions	100%	100%	100%	100%	100%	100%	100%	100%
	To ensure that the municipality's banking is 100% in line with the	Number of Bank Reconciliation	12	12	3	3	3	3	2 (July & August)	3 (Sep,Oct& Nov)
		Daily Banking	100%	100%	100%	100%	100%	100%	100%	100%
	internal auditing of the municipality	and report to Audit Committee, Agenda	12	12 Meetings					-	-

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Objectives, Goals, KPI's and Targets of the Municipality										
(Department: Financial Services)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
				2010/11	Q1	Q2	Q3	Q4		
KPA 21: Revenue	Maintaining a sound revenue	Billing prior to last working day of month	100%	100%	100%	100%	100%	100%	100%	100%
		Billing rate	100%	100%	100%	100%	100%	100%	100%	100%
		Owner Property Updated	95%	95%	95%	95%	95%	95%	95%	95%
		Correctness of billing	95%	95%	95%	95%	95%	95%	95%	95%
		Accurate meter readings	98%	98%	98%	98%	98%	98%	80%	80%
KPA 22: Credit	To maintain effective credit	Credit control: Referral to Engineers	100%	100%	100%	100%	100%	100%	100%	100%
		Handing-over of Debtors	100%	100%	100%	100%	100%	100%	100%	100%
		Credit control: Trend	98%	98%	98%	98%	98%	98%	98%	98%
		Payment of Creditors within 30 days	100%	100%	100%	100%	100%	100%	98%	95%
		Sound, authorised expenditure	100%	100%	100%	100%	100%	100%	100%	100%
KPA 23: Financial	To improve the financial system to	Number of Treasury Reports	12 Annually	12	3	3	3	3	3	3
		Number Quarterly Reports	4 Annually	4	1	1	1	1	1	1
		Performance Evaluation Report	1 Annually	1		1			-	-
		Annual report of Department	1 Annually	1		1			-	-
		Unresolved audit queries (MM)	0%	0%	0%	0%	0%	0%	0%	-

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Objectives, Goals, KPI's and Targets of the Municipality										
(Department: Financial Services)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
				2010/11	Q1	Q2	Q3	Q4		
		Section 71 Budget monitoring report submitted to the Mayor 10 working days after end of each month (MM)	12 per year	12	3	3	3	3	3	3
		Compliance with MFMA Reporting requirements (MM)	100%	100%	100%	100%	100%	100%	100%	98%
KPA 24: Valuations	To ensure full implementation of	Percentage of Ad-hoc valuations	100%	100%	100%	100%	100%	100%	100% (2)	100% (12)
		Number of interim Valuations	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	1	0
KPA 25: Risk	Facilitate proper risk management in	Risk Management: Insurance claims	Quarterly	4	1	1	1	1	0	1
		Risk assessment and	Quarterly	4						
KPA 26: Asset	To manage and control all assets in	Updated asset register: purchases	1 updated register	1				1	-	-
		Asset Management: Depreciation	Monthly depreciati on	12	3	3	3	3	0	0
KPA 27: Budget Formulation	To compile the annual budget according to the	1 Adopted draft budget before end of March each year	1 Draft Budget	1 Draft Budget			1		-	-
		Adopted budget before end of May each year	1 Budget	1 Budget				1	-	-

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality										
(Department: Financial Services)										
Municipal Key Performa nce Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets					
				2010/11	Q1	Q2	Q3	Q4	Actual 1st Quarter	Actual 2nd Quarter
		KPA – Percentage of capital budget actually spent on capital projects	100%	100%	100%	100%	100%	100%	100%	100%
		Monthly Balancing of the General ledger	12	12	3	3	3	3	3	3
		% of Capital budget spent (MM)	90%	90%	90%	90%	90%	90%	22%	43%
		Over expenditure on operational budget (MM)	0%	0%	0%	0%	0%	0%	0%	0%

Draft Mid -year Budget and Performance Assessment -2010/2011

Objectives, Goals, KPI's and Targets of the Municipality										
(Generic KPA's for all Departments)										
Municipal Key Performance Area	IDP Goal/Objective	Key Performance Indicator	Base Line		Quarterly Targets				Actual 1st Quarter	Actual 2nd Quarter
				2010/11	Q1	Q2	Q3	Q4		
KPA 29: Occupational Health and Safety	To provide a safe and healthy work environment to all employees	Attendance of monthly Departmental SHE meeting	12	12	3	3	3	3	-	0
		Attendance of quarterly Central SHE meeting	4	4	1	1	1	1	1 (24 Aug 2010)	0
KPA 28: Training and capacity building	To facilitate training and development of employees and councillors	Number of Departmental employees send on <u>external</u> training	5	7	1	3	2	1	27	36
		Number of Departmental employees send on <u>internal</u> training	10	15	3	4	4	4	2	2
KPA 20: Financial viability and management	Effective management of the Department	% of Capital Budget Spend	98%	98%	25%	50%	75%	98%	22%	10%
		% of Operational Budget Spend	98%	98%	25%	50%	75%	98%	23%	55%
	To comply and implement the supply chain management regulations	Number of procurement deviations	0	0	0	0	0	0	0	0
KPA 33: Administrative support	Effective management of the Department	% of council decisions applicable to department implemented	98%	98%	98%	98%	98%	98%	98%	98%